

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Monday.
- Cotton prices dropped as buying by domestic mills declined. Moreover, export demand also slowed.
- Lack of demand from millers and exporters weighed on the market.
- Selling around current levels is weighing on prices.
- Buyers are waiting for better levels in the coming days.

Cotton International Fundamentals

- There is power shortage in Australia that could hamper production hence giving gap for importers.
- Egypt agreed to export 3200 metric tonnes in week ending 21 March.
- Cotton international futures are sliding on news of stocks to be released by India and China.
- Cotton futures a NYMEX closed amid lack of buying around current levels.
- According to Pakistan agency PCGA, cotton production is likely to down by 11.7 % which are pushing up the prices.
- China imports is likely to rise to 223 lakh bales in 2012-13 as compared to earlier estimated 194 lakh bales, according to USDA. This is likely to lower global ending stocks which makes it likely to have lower global surplus in 2013-14.

Outlook: We expect domestic cotton prices to notice steady to weak tone in the coming days amid lack of demand in the spot market.

NCDEX Kapas Futures: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Mar-13	0	0	00	0	0
Apr-13	6	939.0	939.0	922.0	925.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	0	-3	1	-1
Apr-13	6617	-687	9374	-687

Spread Feb-13 Apr-13

Basis	-160	
Mar-13		-74.5
April-13		

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

MCX Kapas Futures: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Mar -13	-6.80	850.4	869.9	850.4	860.6
Apr-13	5.60	916.5	935	915	931

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	110	-100	533	-110
Apr-13	992	167	1499	-68

Spread Feb-13 Apr-13

Basis	132.6	
Mar -13		58
April-13		

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
29-Mar-13	0.66	18280	18490	18250	18440
30-Apr-13	0.7	18570	18800	18540	18740
31-May-13	0.63	18850	19100	18840	19030
28-Jun-13	0.31	19080	19270	19040	19190
31-Jul-13	-0.05	19310	19440	19270	19390

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	25-3-2013	23-3-2013	
Amravati-Vunni Mech-1#	4800	4800	Unch
Kadi-Bt Cotton#	4950	4850	100
Abohar-J-34*	4130	4125	5
Muktsar-J-34 *(Cotton)	4125	4135	-10
*(Kapas BT Cotton)	4800	4800	Unch
Ahmedabad-Shankar-6#	5000	5050	-50
Fajlika *(Cotton New)	4070	4160	-90
*(Kapas BT Cotton)	4775	4825	-50
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	Closed	4905	-
Rajkot-(B.T)	Closed	4955	-
Sri-Ganganagar	4020	4040	-20
Patan(B.T. Cotton)	Closed	-	-

*-Rs/maund, #-Rs.qtl,

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	25-3-2013	23-3-2013	
Amravati -Vunni Mech-1#	800	1000	-200
Kadi -Bt Cotton	100	150	-50
Abohar-J-34*	700	600	100
Muktsar-J-34 *(Kapas BT Cotton)	300	400	-100
Ahmedabad - Shankar-6#	12000	20000	-8000
Fajlika *(Kapas BT Cotton)	1500	1500	Unch
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	-	688	-
Rajkot-(B.T)	-	12000	-
Sri-Ganganagar	12846	14987	-2141

Patan(B.T. Cotton)	-	-	-
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Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 23/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (23/03/2013)	Rs. Per Candy (22/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35100	35100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36100	36100	Unch
J-34(202)	26mm	3.5 - 4.9	23	37300	37700	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37800	38000	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	38300	38400	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39500	39700	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	47500	48000	-500

Cotlook Index: As on 22/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	94.75	-0.80

China Cotton Index: As on 25/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19368	-2
CCIndex(527)	16983	-1
CCIndex(229)	20079	-1

RMB - Renminbi, 1RMB = 0.16 \$U.S.

USDA Cotton Spot Rates: As on 22/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.04	88.29	NIL
North Delta	83.79	86.29	NIL
South Delta	83.79	86.29	NIL
East TX-OK	80.25	83	292
West Texas	80.25	83.25	NIL
Desert SW	80.79	87.29	NIL
SJ Valley	81.79	92.44	NIL

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf

grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per Tex and uniformity 80.5 to 81.4

ICE Cotton Futures (Prices in cents/lb.): As on 22/03/2013

Contract	Open	High	Low	Close	Change
13-May	88.24	88.83	87.11	87.29	-0.91
13-Jul	89.12	89.48	88.09	88.27	-0.88
13-Oct	87.01	87.01	87.01	87.01	-0.88
13-Dec	87.67	87.74	86.27	86.55	-1.27
14-Mar	86.12	86.12	86	86	-1.27
14-May	85.72	85.72	85.72	85.72	-1.17

Pakistan Cotton Spot rates: As on 22/03/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6900	155	7055
Equivalent	40 Kgs	7395	155	7550

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