

Weekly
Publication of



**Cotton
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Cotton Statistics And News

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Edited & Published by : O. P. Agarwal

2nd Programme on “ Letters of Credit under UCP 600” Organised by CAI under “Learn with CAI” Series

The Programme No.2 on “ Letters of Credit under UCP 600” under the series “Learn with CAI” was organised on 4th April 2009 in the Conference Room of the Association.

Shri Dhiren N. Sheth, President, CAI welcomed the participants and Course Faculty, Shri K. Parmeswaran. He also gave a brief introduction of Shri Parmeswaran and urged the participants to take maximum benefit from the experience and deep knowledge of the eminent speaker.



CAI President, Shri Dhiren N. Sheth addressing the participants

Shri Parmeswaran, an eminent personality in the field of International Trade and Foreign Exchange Management made a detailed presentation on various aspects of Letters of Credit.

In his presentation, he dealt with variety of topics such as features of an overseas contract, operational features of Letter of Credit, UCP 600 & LC swift format, Letter of Credit for import transactions and Letters of Credit for export transactions.



Shri K. Parmeswaran making his presentation

Shri Parmeswaran also gave a practical case studies on LC transactions with specific reference to UCP 600/ISBP 681 provisions and implications of court decisions on LC transactions. The Session was turned out be highly interactive.



A cross section of participants

The programme concluded with question and answer Session where the faculty member responded to several queries raised by the participants.

All the participants highly appreciated the programme.

Domestic Cotton Prices Move in a Narrow Groove During March

After a strident rise in earlier months, domestic cotton prices has shown a decline from November. They displayed a distinct downtrend in January and February. Prices in March, however, did not show any distinct trend. They moved in a narrow groove but there was movement both ways. In the case of some varieties prices were marginally up, in others somewhat down and in some others they were stable. The average spot rates of a few major varieties during the last three months have been as under.

Variety	Av. Spot Rate (Rs/Candy)		
	Jan. '09	Feb. '09	Mar. '09
J-34	21000 (19300)	20100 (19700)	20600 (20200)
H-4	21000 (19800)	20100 (20500)	20100 (21200)
S-6	21500 (20800)	20600 (21300)	20700 (22300)
DCH-32	28200 (29100)	26800 (30000)	26500 (31000)

Note: Figures in brackets denote last year's prices

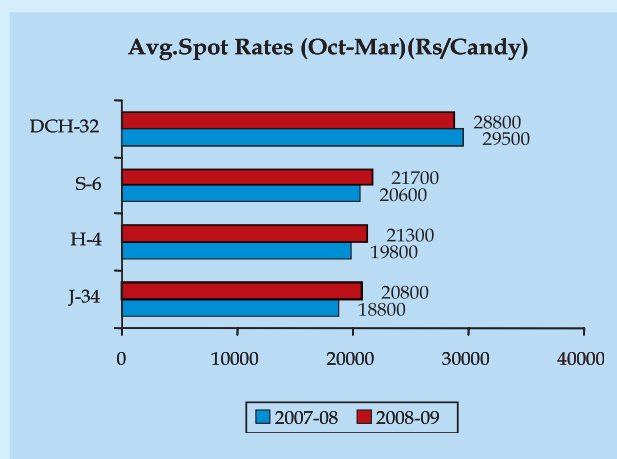
It will be seen that in the case of the medium staple cotton, J-34, and the long staple cotton, S-6, prices slightly hardened while in the case of H-4 there was no change. In the case of the extralong staple cotton, DCH-32, the price moved slightly down. Prices seemed to have moved in tune with market fundamentals. Both J-34 and S-6 had recently been in good demand from the mills as also from some exporters and this has obviously firmed up their prices. In the case of J-34, the higher increase points to a mismatch between demand and supply as its production this year has been lower because of the extensive spread of the long staple Bt cottons which, according to a report, have covered over 85 percent of the total cotton area in the State. The decline of average price in the case of DCH-32 reflects a wane in its demand as the preference has been for imported cotton for spinning superfine counts.

Significantly, the average prices during this March have been lower than the last March prices in most cases whereas they had remained consistently higher earlier. The seasonal average prices during

the first half of the season from October to March during the last two years are given below.

Average Spot Rate (Rs /Candy) (October to March)		
Variety	2007-08	2008-09
J-34	18800	20800
H-4	19800	21300
S-6	20600	21700
DCH-32	29500	28800

It will be seen that despite the fall in recent months, the average prices this year have remained higher than last year in all varieties except DCH-32.



Renewal of Subscription of Cotton Weekly for April 2009-March 2010

Dear Subscribers,

Your subscription for this publication expires in March 2009. To ensure uninterrupted and continuous supply of this publication to you during the current period from April 2009 to March 2010, we request you to please send your renewal subscription amount of Rs.1,500/- immediately.

Payment to be made in the name of Cotton Association of India payable at par in Mumbai.

UPCOUNTRY SPOT RATES

		(Rs. \ Candy)											
Mar.	BD(RG)	BD(SG)	V-797	Jayadhar	Y-1	J-34(SG)	J-34(RG)	H-4	S-6	B/B	MCU-5	DCH-32	
2009	ICS-101	ICS-201	ICS-102	ICS-103	ICS-104	ICS-202	ICS-105	ICS-106	ICS-107	ICS-108	ICS-109	ICS-110	
	20 mm	20 mm	22mm	22mm	24mm	26mm	27mm	28mm	29mm	30 mm	32mm	34mm	
	5.0-7.0	5.0-7.0	4.5-5.9	4.0-5.5	4.0-5.5	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.3-4.5	2.8-3.6	
	20	20	22	23	25	25	26	28	28	29	29	33	
2	21600	22700	14200	-	18900	20000	20300	19600	20200	20700	21600	26500	
3	21600	22700	14200	-	18900	20000	20300	19600	20300	20700	21600	26500	
4	21700	22800	14200	-	18900	20100	20400	19700	20400	20700	21600	26500	
5	21900	23000	14200	-	18900	20300	20600	19700	20400	20700	21600	26500	
6	22100	23200	14200	17000	18900	20500	20800	19800	20400	20800	21600	26500	
7	21800	22600	14200	17000	18800	20500	20800	19600	20200	20700	21600	26500	
9	21800	22600	14300	17000	18800	20500	20800	19700	20300	20800	21600	27000	
10	MARKET CLOSED
11	Holiday							...
12	21800	22600	14300	17000	19000	20500	20800	19900	20300	20800	21600	27000	
13	21800	22600	14300	17000	19000	20500	20800	20000	20500	20800	21600	27000	
14	Holiday							...
16	22000	22600	14300	17200	19200	20700	21000	20000	20800	21000	21800	27000	
17	22000	22600	14300	17200	19000	20700	21000	20100	20800	21000	21800	27000	
18	22000	22600	14300	17200	19000	20700	21000	20100	20800	21000	21800	27000	
19	22000	22600	14300	17200	19000	20700	21000	20100	20800	21000	21800	27000	
20	22000	22600	14300	17200	19000	20700	21000	20100	20800	21000	21800	27000	
21	22000	22600	14700	17200	19500	20700	21000	20300	20800	21500	22500	29000	
23	21500	22200	14900	17400	19500	20700	21000	20100	20800	21300	22500	29000	
24	21500	22200	14900	17400	19500	20800	21100	20100	20900	21400	22500	29000	
25	21700	22400	15100	17600	19700	21000	21300	20300	21100	21600	22700	29500	
26	21700	22400	15300	17600	19700	21000	21300	20500	21200	21700	22700	31000	
27	Holiday							...
28	Holiday							...
30	22000	22800	15500	17800	19900	21400	21700	20800	21800	22000	22900	31500	
31	22000	22800	16000	18000	20100	21600	22200	21100	22100	22200	23000	32100	
H	22000	23200	16000	18000	20100	21600	22200	21100	22100	22200	23000	32100	
L	21500	22200	14200	17000	18800	20000	20300	19600	20200	20700	21600	26500	
A	21800	22600	14600	17300	19200	20600	21000	20100	20700	21100	22000	26500	

H = Highest L = Lowest A = Average

SNIPPETS

Reflecting the deepening contraction in the global imports due to the financial crisis, merchandise exports from India reportedly declined by a hefty 21 percent during February this year as compared to last February. Exports during February 2009 are placed at \$12.0 billion as against \$15.2 billion in February 2008. The cumulative exports from April to February this fiscal are estimated to be higher by 7.5 percent at \$ 157 billion as against \$ 146 billion during the corresponding period of last fiscal. Imports during February this year are also stated to have dropped by 23.3 percent to \$17 billion as against \$ 22 billion last February. This apparently narrowed the trade deficit to almost \$ 5 billion from \$ 6.7 billion last February.



The infrastructure industries reportedly grew by 2.2 percent during this February. Although this was way behind the growth of 7 percent recorded in last February, it is stated to be the highest in the past four months.



A Correction

The issue date of Cotton Statistics and News – No.1 should be read as 07.04.2009 instead of 02.04.2009. We regret the error.

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UPCOUNTRY SPOT RATES

(Rs./Candy)

Official quotations for standard descriptions with basic grade and staple in Millimetres based on Upper Half mean Length under By-law 66 (A)(a)(4)					SPOT RATES (UPCOUNTRY) 2008-09 CROP March - April 2009					
					4th	6th	7th	8th	9th	10th
01.	ICS-101	Below 20mm	Bengal Deshi(RG)	5.0-7.0 20	22000	22000	M A	22000	22000	M A
02.	ICS-201	Below 20mm	Bengal Deshi(SG)	5.0-7.0 20	22800	22800	R K	22800	22800	R K
03.	ICS-102	22mm	V-797	4.5-5.9 22	16700	16700	E	16700	16700	E
04.	ICS-103	22mm	Jayadhar	4.0-5.5 23	18000	18000	T	18000	18000	T
05.	ICS-104	24mm	Y-1	4.0-5.5 25	20000	20000		20000	20000	
06.	ICS-202	26mm	J-34 (SG)	3.5-4.9 25	22000	22500		22500	22500	
07.	ICS-105	27mm	J-34 (RG)	3.5-4.9 26	22600	23100	C	23100	23100	C
08.	ICS-106	28mm	H-4/	3.5-4.9 28	20900	21000	L	21000	21000	L
09.	ICS-107	29mm	S-6	3.5-4.9 28	22100	22400	O	22400	22400	O
10.	ICS-108	30mm	Bunny/ Brahma	3.5-4.9 29	22100	22300	S E	22300	22300	S E
11.	ICS-109	32mm	MCU-5	3.3-4.5 29	23200	23200	D	23200	23200	D
12.	ICS-110	34mm	DCH-32	2.8-3.6 33	32100	32100		32100	32100	