

Cotton Domestic Fundamentals:

- Cotton markets noticed steady to weak tone on Thursday amid low demand and rising arrivals.
- DGFT has raised cap for cotton export registration to 30,000 bales which was 10,000 earlier and 3,000 for new exporters which was 1,500 bales earlier. Prices in international markets are about the same to less so the impact would not be substantial.
- Yarn Demand from Bangladesh is supporting prices and contracts of nearly 1 million bales are signed. Also yarn exports registrations have been doubled from last year in same period.
- Last year arrivals around this time of the year were 2 lakh bales, while present levels are around 1.5 lakh bales.
- Imports are halted as arrivals in markets have begun. Also exports may touch 1.5 lakh bales by mid-December.

Cotton International Fundamentals

- Cotton Futures pierced 74 cents per lb in early trading for the first time since October 23 on speculation as China's manufacturing sector showed positive movement in 13 months.
- China cotton production estimates have raised estimates to 6.9 million tonnes for current year 2011-12.
- Pakistan current cotton arrivals have reached 9.58 million bales by Dec. 1, 2012, which is 1 percent lower than last year arrivals at same time last year.
- China cumulative procurement since September 8 has touched 35.3 lakh tons.

Outlook: We expect domestic cotton prices to continue steady to weak tone amid lack –luster demand in the ready market.

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

Contract	+/-	Open	High	Low	Close
Feb-13	0	0.00	0.00	0.00	0.00
Apr-13	-5.5	976	977.5	968	968.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	-4	968.5	969	962	962.00
Apr-13	-3.7	980	980.5	972.6	973.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	0	37	0
Apr-13	3514	-1536	13792	-3

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	189	-46	633	-28
Apr-13	367	-59	590	10

Spread Feb-13 Apr-13

Basis	-60	
Feb-13		38.5
April-13		

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

Spread Feb-13 Apr-13

Basis	-92	
Feb-13		11.9
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
31-Dec-12	-0.31	16330	16350	16260	16260
31-Jan-13	-0.24	16440	16460	16380	16380
28-Feb-13	-0.18	16550	16580	16510	16510
29-Mar-13	0.18	16700	16710	16680	16680

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	06-12-2012	05-12-2012	
Amravati-Vunni Mech-1#	4000	4000	Unch
Kadi-Bt Cotton#	4350	4250	+100
Ahmedabad-Shankar-6#	4350	4325	+25
Gondal	4300	4310	-10
Rajkot-(B.T)	4340	4315	+25
Abohar-J-34*	3500	3480	+20
Muktsar-J-34 *(Cotton)	3500	3485	+15
#(Kapas BT Cotton)	4150	4150	Unch
Fajlika #(Cotton New)	3450	3450	Unch
#(Kapas BT Cotton)	4230	4250	-20
Khandwa-(M.P)	4125	4100	+25
Khargaon-(M.P)	4125	4100	+25
Sri-Ganganagar	3440	3425	+15

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	06-12-2012	05-12-2012	
Amravati -Vunni Mech-1#	1700	2500	-800
Kadi -Bt Cotton	25000	35000	-10000
Ahmedabad - Shankar-6#	35000	35000	Unch
Gondal	1600	1934	-334
Rajkot-(B.T)	1675	1650	+25
Abohar-J-34*	900	1000	-100
Muktsar-J-34 *(Cotton)	-	-	-
#(Kapas BT Cotton)	300	400	-100
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	2500	2200	+300
Khandwa (M.P)	3000	3500	-500
Khargaon-(M.P)	8000	10000	-2000
Sri-Ganganagar	6000	6000	Unch

Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 05/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (05/12/2012)	Rs. Per Candy (04/12/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36900	37300	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37400	37800	-400
J-34(202)	26mm	3.5 - 4.9	23	31900	31900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32700	32700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33300	33300	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34700	34700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 05/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.85	-1.00

China Cotton Index: As on 06/12/2012

Index	RMB/Ton	Change
CCIndex(328)	18967	+14
CCIndex(527)	16687	+11
CCIndex(229)	19832	+6

USDA Cotton Spot Rates: As on 05/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.04	74.54	3706
North Delta	70.04	71.54	NIL
South Delta	70.04	71.54	NIL
East TX-OK	67	71.5	610
West Texas	67	72.25	9684
Desert SW	67.54	74.04	NIL
SJ Valley	68.54	79.19	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 05/12/2012

Contract	Open	High	Low	Close	Change
Dec-12	71.86	72.04	71.72	72.04	0.13
Mar-12	72.91	73.26	72.43	73.04	0.13
May-12	73.91	74.2	73.4	74.01	0.14
Jul-12	74.95	75.1	74.17	75	0.27
Oct-12	77.24	77.51	76.68	76.68	0.21
Dec-12	77.25	77.44	76.47	77.3	0.19

Pakistan Cotton Spot rates: As on 05/12/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5900	155	6055
Equivalent	40 Kgs	6323	155	6478

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.