

Cotton Domestic Fundamentals:

- Cotton markets noticed steady to strong tone on Friday.
- 25,000 arrivals reported in North India.
- NCDEX jumped on Friday to 11 points due to buying from exporters.
- Cotton production for next cotton season is expected to be less due to lower demand
- 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.

Cotton International Fundamentals

- ICE cotton futures increases amid buying from China that could move prices up if buying continues.
- 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.

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	11	950.00	950.00	950.00	950.00
Apr-13	9.5	970.5	985.5	970.5	979.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	4.5	962.3	973.9	962.2	967.6
Apr-13	7.9	976	987.4	975	982.1

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	1	37	0
Apr-13	6836	3322	13967	175

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	298	109	596	-37
Apr-13	589	222	549	-41

Spread Feb-13 Apr-13

Basis	-60	
Feb-13		49
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	-97.6	
Feb-13		14.5
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	16260	16390	16250	16320
31-Jan-13	0.43	16380	16520	16360	16460
28-Feb-13	0.3	16550	16630	16490	16560
29-Mar-13	0.3	16750	16820	16720	16750
30-Apr-13	2.44	16820	16820	16820	16820

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	07-12-2012	06-12-2012	
Amravati-Vunni Mech-1#	4025	4000	+25
Kadi-Bt Cotton#	4350	4350	Unch
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4310	4300	+10
Rajkot-(B.T)	4300	4340	-40
Abohar-J-34*	3510	3500	+10
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3500	3500	+15
	4275	4150	+125
Fajlika #(Cotton New) #(Kapas BT Cotton)	3400	3450	-50
	4210	4230	-20
Khandwa-(M.P)	4125	4125	Unch
Khargaon-(M.P)	4125	4125	Unch
Sri-Ganganagar	3450	3440	+10

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	07-12-2012	06-12-2012	
Amravati -Vunni Mech-1#	2000	1700	-800
Kadi -Bt Cotton	25000	25000	Unch
Ahmedabad - Shankar-6#	35000	35000	Unch
Gondal	1341	1600	-259
Rajkot-(B.T)	1550	1675	+125
Abohar-J-34*	1000	900	+100
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	300	300	-100
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2500	2500	Unch
Khandwa (M.P)	3000	3000	Unch
Khargaon-(M.P)	8000	8000	Unch
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: 06/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (06/12/2012)	Rs. Per Candy (05/12/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	36900	-800
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36600	37400	-800
J-34(202)	26mm	3.5 - 4.9	23	32200	31900	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32700	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	33400	33300	+100
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 06/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.85	Unch

China Cotton Index: As on 07/12/2012

Index	RMB/Ton	Change
CCIndex(328)	18991	+24
CCIndex(527)	+16690	+3
CCIndex(229)	19836	+4

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

USDA Cotton Spot Rates: As on 06/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.55	75.05	620
North Delta	70.55	72.05	988
South Delta	70.55	72.05	NIL
East TX-OK	67.5	72	1368
West Texas	67.5	72.75	8322
Desert SW	68.05	74.55	NIL
SJ Valley	69.05	79.7	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 06/12/2012

Contract	Open	High	Low	Close	Change
Dec-12	72.25	72.29	72.24	72.24	0.2
Mar-12	73.04	73.95	72.85	73.55	0.51
May-12	74.22	74.87	73.74	74.47	0.46
Jul-12	74.87	75.6	74.86	75.24	0.24
Oct-12	76.48	76.48	76.4	76.4	-0.28
Dec-12	77.39	77.65	77.1	77.46	0.16

Pakistan Cotton Spot rates: As on 06/12/2012 (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

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