

## Cotton Domestic Fundamentals:

- Cotton markets noticed strong tone on Tuesday except Rajkot.
- Cotton arrivals decline by 11.74% from 8.80 million bales to 9.97 million bales from corresponding year.
- Yarn exports are likely to see export boom in 2013. Industry is expecting 12-15% Y-o-Y growth. Demand from China is supporting the prices.
- Cotton prices remain stable amid rising arrivals and demand from millers and exporters. No major fluctuation seen in coming days. Around 23 lakh bales export registration reported in current season.
- Buying from millers and exporters are normal and prices not likely to rise as arrivals are increasing.

## Cotton International Fundamentals

- Over 10 million bales of cotton have reached market in Pakistan.
- Cotton was the biggest decliner on SnP commodities in 2012.
- New York Futures market prices remained fundamental for translating international lint prices, which was evident from the trend in local market as it would likely keep the physical prices strong.

**Outlook:** We expect domestic cotton prices to continue steady to firm tone amid good demand from the millers and exporters.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-11	934.00	938.50	929.50	929.50
Apr-13	-4	970	973	960.5	966

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

Contract	+/-	Open	High	Low	Close
Feb-13	-4.6	963.1	964.9	952	957
Apr-13	-4.1	975.1	978	967	971.1

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	2	29	0
Apr-13	13706	-4532	13477	293

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	309	-294	673	9
Apr-13	1322	-205	1154	129

### Spread

	Feb-13	Apr-13
Basis	55	91
Feb-13		
April-13		

### Spread

	Feb-13	Apr-13
Basis	-82	14.1
Feb-13		
April-13		

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

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

Contract	% Change	Open	High	Low	Close
31-Jan-13	-0.17	17250	17260	17210	17250
28-Feb-13	-0.06	17050	17060	16960	17020
29-Mar-13	-0.12	16870	16870	16680	16760
30-Apr-13	0.06	16620	16630	16460	16550

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	03-01-2013	02-01-2013	
Amravati-Vunni Mech-1#	4050	4050	Unch
Kadi-Bt Cotton#	4250	4350	-100
Ahmedabad-Shankar-6#	4375	4375	Unch
Gondal	4340	4345	-5
Rajkot-(B.T)	4425	4380	45
Abohar-J-34*	3570	3580	-10
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	3575	3585	-10
	4180	4280	-100
Fajlika #(Cotton New) #(Kapas BT Cotton)	3550	3570	-20
	4290	4311	-21
Khandwa-(M.P)	4120	4130	-10
Khargaon-(M.P)	4120	4130	-10
Sri-Ganganagar	3490	3500	-10

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	03-01-2013	02-01-2013	
Amravati -Vunni Mech-1#	1700	2500	-800
Kadi -Bt Cotton	50000	75000	-25000
Ahmedabad - Shankar-6#	44000	42000	2000
Gondal	1989	2121	-132
Rajkot-(B.T)	4700	4850	-150
Abohar-J-34*	700	1000	-300
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	-	-	-
	450	400	50
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1800	2200	-400
Khandwa (M.P)	3300	3500	-200
Khargaon-(M.P)	8000	8000	Unch
Sri-Ganganagar	6000	7000	-1000

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

**Cotton Association of India Spot Rates: 02/01/2013**

Trade Name	Staple	Micronaire	Strength/	Rs. Per	Rs. Per	Change
------------	--------	------------	-----------	---------	---------	--------

			GPT	Candy (02/01/2013)	Candy (01/01/2013)	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34400	34100	<b>+300</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34900	34600	<b>+300</b>
J-34(202)	26mm	3.5 - 4.9	23	32800	32700	<b>+100</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	33000	<b>Unch</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	33900	<b>Unch</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33900	33900	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34500	34500	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	45200	45200	<b>Unch</b>

**Cotlook Index: As on 02/01/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	83.35	<b>+0.40</b>

**China Cotton Index: As on 31/12/2012**

Index	RMB/Ton	Change
CCIndex(328)	19201	<b>+8</b>
CCIndex(527)	16839	<b>+6</b>
CCIndex(229)	19981	<b>+1</b>

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

**USDA Cotton Spot Rates: As on 02/01/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.86	76.11	<b>2293</b>
North Delta	72.11	74.11	NIL
South Delta	72.11	74.11	NIL
East TX-OK	69.75	74.25	<b>257</b>
West Texas	69.75	74	<b>12894</b>
Desert SW	70.11	76.61	NIL
SJ Valley	70.86	81.51	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 02/01/2013**

Contract	Open	High	Low	Close	Change
Mar-12	75.75	76.95	74.91	75.36	0.22
May-12	76.45	77.36	75.78	76.23	0.37
Jul-12	77.33	78	76.8	77.31	0.44
Oct-12	78.86	78.86	78.86	78.86	0.31
Dec-12	78.98	79.74	78.34	79.66	0.92
Mar-12	78.75	80.64	78.75	80.64	1.23

**Pakistan Cotton Spot rates: As on 02/01/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6000	155	6155
Equivalent	40 Kgs	6430	155	6585

**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.