

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Friday.
- Lower demand from the millers weighed on prices.
- Arrivals are reported to be higher in various mandis.
- Around 25000 bales of the new crop arrived in northern India.
- Cotton arrivals decline by 11.74% from 8.80 million bales to 9.97 million bales from corresponding year.
- Higher price of cotton in China is boosting yarn exports to China.
- 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.
- According to a fortnightly report on cotton production issued by the Pakistan Cotton Ginners Association (PCGA), ginning factories received raw cotton equivalent to 11.587 million bales up to December 31, 2012, which was 445,440 bales less than the previous year.
- Cotton futures at NYMEX closed slightly higher amid expectation of increase in import quota of cotton from China.

Outlook: We expect domestic cotton prices to continue steady to weak tone on lower demand from the millers.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-15	926.00	926.00	919.50	919.50
Apr-13	-16.5	965	966	948	951

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	3	-1	29	0
Apr-13	9174	2362	13770	-148

Spread

	Feb-13	Apr-13
Basis	60	
Feb-13		81
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
Feb-13	-15.5	956.4	956.4	942.1	942.9
Apr-13	-15.6	972.9	972.9	957	957.3

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	283	-26	705	32
Apr-13	1598	276	1148	-6

Spread

	Feb-13	Apr-13
Basis	-72.9	
Feb-13		14.4
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-Jan-13	-0.42	16520	16560	16450	16460
28-Feb-13	-0.36	16740	16760	16670	16690
29-Mar-13	-0.29	17010	17010	16920	16950
30-Apr-13	-0.35	17200	17320	17190	17190

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	04-01-2013	03-01-2013	
Amravati-Vunni Mech-1#	4050	4050	Unch
Kadi-Bt Cotton#	4225	4250	-25
Ahmedabad-Shankar-6#	4350	4375	-25
Gondal	4340	4340	Unch
Rajkot-(B.T)	4400	4425	-25
Abohar-J-34*	3565	3570	-5
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3570	3575	-5
	4180	4180	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	3500	3550	-50
	4260	4290	-30
Khandwa-(M.P)	4120	4120	Unch
Khargaon-(M.P)	4120	4120	Unch
Sri-Ganganagar	3490	3490	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	04-01-2013	03-01-2013	
Amravati -Vunni Mech-1#	3000	1700	1300
Kadi -Bt Cotton	75000	50000	25000
Ahmedabad - Shankar-6#	43000	44000	-1000
Gondal	2147	1989	158
Rajkot-(B.T)	4800	4700	100
Abohar-J-34*	1400	700	700
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	450	450	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1200	1800	-600
Khandwa (M.P)	3000	3300	-300
Khargaon-(M.P)	8000	8000	Unch
Sri-Ganganagar	6000	6000	Unch

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

Cotton Association of India Spot Rates: 03/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (03/01/2013)	Rs. Per Candy (02/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34400	34400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34900	34900	Unch
J-34(202)	26mm	3.5 - 4.9	23	32600	32800	-200
H-4/ ME CH-1(105)	28mm	3.5 - 4.9	27	33000	33000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33800	33900	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33900	33900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34500	34500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45200	45200	Unch

Cotlook Index: As on 03/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	83.45	+0.10

China Cotton Index: As on 04/01/2012

Index	RMB/Ton	Change
CCIndex(328)	19207	+6
CCIndex(527)	16848	+9
CCIndex(229)	19989	+8

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

USDA Cotton Spot Rates: As on 03/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.89	76.14	238
North Delta	72.14	74.14	NIL
South Delta	72.14	74.14	NIL
East TX-OK	69.75	74.25	1938
West Texas	69.75	74	8746
Desert SW	70.14	76.64	NIL
SJ Valley	70.89	81.54	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 03/01/2013

Contract	Open	High	Low	Close	Change
Mar-12	75.36	76.34	75.04	75.39	0.03
May-12	76.22	77	75.87	76.22	-0.01
Jul-12	77.47	78	76.84	77.24	-0.07
Oct-12	78.71	78.71	78.71	78.71	-0.15
Dec-12	79	79.69	78.65	79.47	-0.19
Mar-12	80.59	80.59	80.3	80.47	-0.17

Pakistan Cotton Spot rates: As on 03/01/2013 (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

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