

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Wednesday.
- CCI is likely to procure 60 lakh bales of raw cotton in 2012-13 to support farmers as prices are ruling below MSP levels in some parts of India.
- CCI has already procured 13 lakh bales of raw cotton in current marketing season.
- Lower demand from the millers weighed on prices.
- 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.

Cotton International Fundamentals

- By March of this year, China is expected to accumulate some 8 million tons of cotton, equal to a third of total global output in 2012-13.
- China's State Reserve has bought 5.14 million tons of cotton since September 10, 2012. 65 percent more than the reserve for all of 2011, bringing the total reserve to 7.29 million tons as of December 27, the NDRC said in a statement on December 28.
- Pakistan is likely to miss production target of 14.6 million bales by 1.3 million bales, according to Cotton Commissioner Dr Khalid Abdullah.

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	-6	917.50	918.50	907.50	908.00
Apr-13	-2	942.5	948.5	940	942.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	17	12	42	13
Apr-13	5655	130	13161	130

Spread Feb-13 Apr-13

Basis	70	
Feb-13		82
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	-1.3	933	939.8	931	932.30
Apr-13	-2.2	950	953.5	946.1	948.00

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	685	292	860	137
Apr-13	942	-42	1204	40

Spread Feb-13 Apr-13

Basis	-72.3	
Feb-13		15.7
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	-0.24	16450	16490	16370	16410
28-Feb-13	-0.24	16690	16730	16620	16650
29-Mar-13	-0.18	16980	17020	16940	16960
30-Apr-13	0	17210	17260	17200	17220
31-May-13	-0.06	17310	17490	17310	17430

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	09-01-2013	08-01-2013	
Amravati-Vunni Mech-1#	4025	4000	25
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4300	4300	Unch
Gondal	4310	4300	10
Rajkot-(B.T)	4345	4340	5
Abohar-J-34*	3575	3560	15
Muktsar-J-34 *(Cotton)	3575	3560	15
#(Kapas BT Cotton)	4150	4150	Unch
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	-	-	-
Khandwa-(M.P)	4120	4100	20
Khargaon-(M.P)	4120	4100	20
Sri-Ganganagar	3500	3470	30

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	09-01-2013	08-01-2013	
Amravati -Vunni Mech-1#	3000	3000	Unch
Kadi -Bt Cotton	35000	45000	-10000
Ahmedabad - Shankar-6#	38000	38000	Unch
Gondal	2123	2564	-441
Rajkot-(B.T)	4680	5060	-380
Abohar-J-34*	1000	700	300
Muktsar-J-34 *(Cotton)	-	-	-
#(Kapas BT Cotton)	450	550	-100
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	-	-	-
Khandwa (M.P)	3000	2500	500
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: 08/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (08/01/2013)	Rs. Per Candy (07/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34700	34600	+100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35200	35100	+100
J-34(202)	26mm	3.5 - 4.9	23	32600	32500	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33600	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	35000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 08/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	83.65	+0.50

China Cotton Index: As on 09/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19247	+12
CCIndex(527)	16880	+9
CCIndex(229)	20007	+7

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

USDA Cotton Spot Rates: As on 08/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.37	75.62	991
North Delta	71.87	74.37	NIL
South Delta	71.87	74.37	724
East TX-OK	69.5	74	1468
West Texas	69.5	73.75	7629
Desert SW	69.87	76.37	NIL
SJ Valley	70.62	81.27	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 08/01/2013

Contract	Open	High	Low	Close	Change
Mar-12	75.7	75.86	74.94	75.12	-0.59
May-12	76.36	76.61	75.75	75.98	-0.55
Jul-12	77.3	77.44	76.71	76.9	-0.57
Oct-12	77.88	77.88	77.88	77.88	-0.7
Dec-12	79.11	79.11	78.32	78.63	-0.78
Mar-12	79.87	79.87	79.87	79.87	-0.69

Pakistan Cotton Spot rates: As on 08/01/2013 (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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