

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Thursday.
- Total India arrivals were reported to be at 1.78 lakh bales on Thursday.
- Total procurement of cotton in Andhra Pradesh is around 30% of total production expected. CCI, Nafed and private traders have procured 2.41 million bales so far, according to commissioner and director of agricultural marketing, G Venkatram Reddy.
- 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.

Cotton International Fundamentals

- China is considering selling off cotton from its major reserve to help spinners.
- 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.

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	-21	899.50	899.50	884.50	889.00
Apr-13	-12	940	940	925.5	930.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	-16	928	929	914.2	917.3
Apr-13	-11.7	942	944	932.5	936.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	12	-5	40	-2
Apr-13	11545	-267	12894	-267

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	783	98	987	127
Apr-13	1111	169	1264	60

Spread

	Feb-13	Apr-13
Basis	60	
Feb-13		60
April-13		

Spread

	Feb-13	Apr-13
Basis	-47.3	
Feb-13		18.7
April-13		

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

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MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
31-Jan-13	-0.49	16370	16370	16290	16350
28-Feb-13	-0.48	16600	16620	16520	16580
29-Mar-13	-0.59	16880	16900	16840	16870
30-Apr-13	-0.35	17150	17180	17110	17160
31-May-13	-0.57	17350	17440	17310	17350

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	10-01-2013	09-01-2013	
Amravati-Vunni Mech-1#	4025	4025	Unch
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4350	4300	50
Gondal	4310	4310	Unch
Rajkot-(B.T)	4390	4345	45
Abohar-J-34*	3580	3575	5
Muktsar-J-34 *(Cotton)	3580	3575	5
#(Kapas BT Cotton)	4170	4150	20
Fajlika #(Cotton New)	3500	-	-
#(Kapas BT Cotton)	4260	-	-
Khandwa-(M.P)	4150	4120	30
Khargaon-(M.P)	4150	4120	30
Sri-Ganganagar	3500	3500	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	10-01-2013	09-01-2013	
Amravati -Vunni Mech-1#	3000	3000	Unch
Kadi -Bt Cotton	50000	35000	15000
Ahmedabad - Shankar-6#	40000	38000	2000
Gondal	1967	2123	-156
Rajkot-(B.T)	4570	4680	-110
Abohar-J-34*	1000	1000	Unch
Muktsar-J-34 *(Cotton)	-	-	-
#(Kapas BT Cotton)	250	450	-200
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	2200	-	-
Khandwa (M.P)	3500	3000	500
Khargaon-(M.P)	9000	8000	1000
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: 09/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (09/01/2013)	Rs. Per Candy (08/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34700	34700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35200	35200	Unch
J-34(202)	26mm	3.5 - 4.9	23	32600	32600	Unch
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	45000	35000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 09/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	83.35	-0.30

China Cotton Index: As on 10/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19250	+3
CCIndex(527)	16886	+6
CCIndex(229)	20007	Unch

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

USDA Cotton Spot Rates: As on 09/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.04	75.29	2115
North Delta	71.54	74.04	1494
South Delta	71.54	74.04	NIL
East TX-OK	69.25	73.75	1529
West Texas	69.25	73.25	7418
Desert SW	69.54	76.04	NIL
SJ Valley	70.29	80.94	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 09/01/2013

Contract	Open	High	Low	Close	Change
Mar-12	75.2	75.5	74.6	74.79	-0.33
May-12	76.18	76.34	75.5	75.67	-0.31
Jul-12	77.06	77.29	76.46	76.7	-0.2
Oct-12	77.59	77.59	77.59	77.59	-0.29
Dec-12	78.79	79	78.23	78.42	-0.21
Mar-12	79.67	79.67	79.67	79.67	-0.2

Pakistan Cotton Spot rates: As on 09/01/2013 (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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