

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Friday.
- Total India arrivals were reported to be at 1.705 lakh bales on Friday.
- 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	17	910.00	910.00	910.00	910.00
Apr-13	9.5	931	941	928	941.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	-11	40	0
Apr-13	6816	-44	12850	-44

Spread Feb-13 Apr-13

Basis	65	
Feb-13		76
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	5.2	921.2	926.6	911	923.6
Apr-13	7	938	946	935.3	945

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	362	-421	949	-38
Apr-13	781	-330	1205	-59

Spread Feb-13 Apr-13

Basis	-58.6	
Feb-13		21.4
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	0.24	16350	16390	16340	16390
28-Feb-13	0.36	16580	16650	16580	16640
29-Mar-13	0.47	16940	16960	16890	16960
30-Apr-13	0.47	17130	17230	17130	17220
31-May-13	0.29	17400	17440	17400	17410

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	11-01-2013	10-01-2013	
Amravati-Vunni Mech-1#	4050	4025	25
Kadi-Bt Cotton#	-	4250	-
Ahmedabad-Shankar-6#	4325	4350	-25
Gondal	4300	4310	-10
Rajkot-(B.T)	Closed	4390	-
Abohar-J-34*	3600	3580	20
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	Closed	3580	-
	Closed	4170	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	3550	3500	50
	4290	4260	30
Khandwa-(M.P)	Closed	4150	-
Khargaon-(M.P)	Closed	4150	-
Sri-Ganganagar	3500	3500	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	11-01-2013	10-01-2013	
Amravati -Vunni Mech-1#	3000	3000	Unch
Kadi -Bt Cotton	-	50000	-
Ahmedabad - Shankar-6#	40000	40000	Unch
Gondal	2138	1967	171
Rajkot-(B.T)	Closed	4570	-
Abohar-J-34*	1000	1000	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	Closed	-	-
	Closed	250	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2000	2200	-200
Khandwa (M.P)	Closed	3500	-
Khargaon-(M.P)	Closed	9000	-
Sri-Ganganagar	5000	6000	-1000

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 (10/01/2013)	Rs. Per Candy (09/01/2013)	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 10/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	83.10	-0.25

China Cotton Index: As on 11/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19258	+8
CCIndex(527)	16891	+5
CCIndex(229)	20012	+5

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

USDA Cotton Spot Rates: As on 10/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.45	75.7	1407
North Delta	71.95	74.45	NIL
South Delta	71.95	74.45	NIL
East TX-OK	69.5	73.5	674
West Texas	69.5	73.5	5720
Desert SW	69.95	76.45	NIL
SJ Valley	70.7	81.35	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 10/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	74.89	75.33	74.55	75.2	0.41
13-May	75.72	76.12	75.46	76.04	0.37
13-Jul	76.72	77.17	76.52	77.12	0.42
13-Oct	78.19	78.19	78.19	78.19	0.6
13-Dec	78.42	79.12	78.22	79.09	0.67
14-Mar	80.39	80.39	80.39	80.39	0.72

Pakistan Cotton Spot rates: As on 10/01/2013 (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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