

Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Wednesday, amid rising arrivals.
- Major buying by state run agencies could impact positively on prices.
- Cotton Association of India has come out with higher outlook in carryover stocks at 147.46 lakh bales.
- Exports in 2012-13 are estimated to be at 57 lakh bales by USDA report.
- 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.
- Registration for exporting cotton yarn stood at 100 million kg, 32 per cent higher in November 2012 than in the year-ago period and five per cent more than in the previous month according to Director General of Foreign Trade.

Cotton International Fundamentals

- In December, China imported 532,000 tonnes of cotton. Indian cotton was highest with 134,000 tonnes, which supported prices in domestic market.
- Brazil cotton production would decline by 23% to 1.44 million tons in 2012-13. This is not likely to have significant impact on global prices as there is record surplus of global cotton. Mainly losing area to soybean due to higher prices.
- China has finalized the selling of cotton reserves from Monday to meet demand from domestic textile companies.
- The price at which the selling is to be done is slightly lower than domestic prices but 25-30% higher than international prices.

Outlook: We expect domestic cotton prices to continue steady to firm tone on good export demand of cotton yarn.

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

Contract	+/-	Open	High	Low	Close
Feb-13	7	883.00	887.00	883.00	887.00
Apr-13	1	922	926	912	923.50

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

Contract	+/-	Open	High	Low	Close
Feb-13	0.8	905	907.5	895.3	906.2
Apr-13	0	927	930.8	917	928.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	3	3	38	-2
Apr-13	8103	-465	12725	-465

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	582	349	1024	-61
Apr-13	1116	370	1344	66

Spread	Feb-13	Apr-13
Basis	65	
Feb-13		58.5
April-13		

Spread	Feb-13	Apr-13
Basis	-41.2	
Feb-13		21.8
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	0.18	16290	16350	16280	16340
28-Feb-13	0.24	16540	16620	16540	16600
29-Mar-13	0.18	16870	16920	16860	16900
30-Apr-13	0.06	16700	17220	16700	17190
31-May-13	0	17430	17470	17380	17440

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	16-01-2013	15-01-2013	
Amravati-Vunni Mech-1#	4050	4050	Unch
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4325	Closed	-
Gondal	4305	4285	20
Rajkot-(B.T)	4310	4325	-15
Abohar-J-34*	3560	3575	-15
Muktsar-J-34 *(Cotton)	Closed	Closed	-
#(Kapas BT Cotton)	Closed	Closed	-
Fajlika #(Cotton New)	3515	3550	-35
#(Kapas BT Cotton)	4220	4305	-85
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3470	3480	-10

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	16-01-2013	15-01-2013	
Amravati -Vunni Mech-1#	1700	3000	-1300
Kadi -Bt Cotton	25000	20000	5000
Ahmedabad - Shankar-6#	35000	Closed	-
Gondal	1914	6471	-4557
Rajkot-(B.T)	4650	4460	190
Abohar-J-34*	1000	800	200
Muktsar-J-34 *(Cotton)	Closed	Closed	-
#(Kapas BT Cotton)	Closed	Closed	-
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	2000	2000	Unch
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-

Sri-Ganganagar	7000	6000	1000
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Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 15/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (15/01/2013)	Rs. Per Candy (14/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34400	34700	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34900	35200	-300
J-34(202)	26mm	3.5 - 4.9	23	32700	32800	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	33700	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34100	34100	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 15/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	83.55	Unch

China Cotton Index: As on 16/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19273	+5
CCIndex(527)	16899	+8
CCIndex(229)	20031	+16

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

USDA Cotton Spot Rates: As on 15/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	73.46	76.71	15090
North Delta	72.96	75.46	250
South Delta	72.96	75.46	NIL
East TX-OK	69.75	73.5	124
West Texas	69.75	73.5	8363
Desert SW	70.96	77.46	NIL
SJ Valley	71.71	82.36	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 15/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	75.55	76.3	75.55	76.21	0.69
13-May	76.5	77.03	76.36	76.84	0.48
13-Jul	77.65	78	77.39	77.68	0.27
13-Oct	78.32	78.32	78.32	78.32	0.27
13-Dec	79.2	79.3	78.94	79.07	-0.07
14-Mar	80.32	80.32	80.32	80.32	-0.06

Pakistan Cotton Spot rates: As on 15/01/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5900	155	6055
Equivalent	40 Kgs	6323	155	6478

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