

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Thursday.
- 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

- Cotton futures jumped on signs that demand is improving in China. As cotton sold from huge reserve is not of good quality and is being rejected by traders and spinners.
- In Brazil, cotton prices may sustain in 2013, due to the smaller domestic production, good pace of exports and the industry's need to purchase more than the half of its needs regarding 2011/12.
- In December, China imported 532,000 tonnes of cotton. Indian cotton was highest with 134,000 tonnes, which supported prices in domestic market.

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	-5	880.00	880.00	880.00	880.00
Apr-13	-2	927.5	933.5	920.5	921.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	-1	38	0
Apr-13	8529	329	13054	329

Spread Feb-13 Apr-13

Basis	60	
Feb-13		51.5
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	-0.3	909	914.9	904.7	905
Apr-13	0.6	930	936.8	927	927.6

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	410	-172	1052	28
Apr-13	973	-143	1395	51

Spread Feb-13 Apr-13

Basis	-35	
Feb-13		22.6
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	16440	16340	16370
28-Feb-13	0.3	16630	16720	16610	16640
29-Mar-13	0.18	16990	17010	16920	16930
30-Apr-13	0.29	17300	17330	17240	17250
31-May-13	0.11	17510	17540	17470	17470

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	17-01-2013	16-01-2013	
Amravati-Vunni Mech-1#	4050	4050	Unch
Kadi-Bt Cotton#	4300	4250	50
Ahmedabad-Shankar-6#	4350	4325	25
Gondal	4305	4305	Unch
Rajkot-(B.T)	4325	4310	15
Abohar-J-34*	3575	3560	15
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	Closed	Closed	-
	Closed	Closed	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	3560	3515	45
	4350	4220	+130
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3500	3470	30

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	17-01-2013	16-01-2013	
Amravati -Vunni Mech-1#	3000	1700	1300
Kadi -Bt Cotton	35000	25000	10000
Ahmedabad - Shankar-6#	42000	35000	7000
Gondal	1837	1914	-77
Rajkot-(B.T)	4860	4650	210
Abohar-J-34*	1300	1000	300
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	Closed	Closed	-
	Closed	Closed	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2000	2000	Unch
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	6000	7000	-1000

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

Cotton Association of India Spot Rates: 16/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (16/01/2013)	Rs. Per Candy (15/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34200	34400	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34700	34900	-200
J-34(202)	26mm	3.5 - 4.9	23	32600	32700	-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 16/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.10	+0.55

China Cotton Index: As on 17/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19283	+10
CCIndex(527)	16901	+2
CCIndex(229)	20037	+6

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 16/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	76.12	77.78	76.1	77.33	1.12
13-May	76.79	78.22	76.67	77.78	0.94
13-Jul	77.58	78.82	77.56	78.39	0.71
13-Oct	78.6	78.6	78.6	78.6	0.28
13-Dec	79.15	79.63	78.9	79.24	0.17
14-Mar	80.44	80.44	80.44	80.44	0.12

Pakistan Cotton Spot rates: As on 16/01/2013 (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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.