

## Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Wednesday except Abohar, Sri Ganganagar and Muktsar.
- Cotton demand is likely to be lack luster due to rising arrivals and normal demand, however prices are supported by the buying by exporters
- Central Institute for Cotton Research has developed new variety of cotton which has highest known fiber strength. Cotton units generally use cotton having fiber strength over 17g/Tex. CICR cotton type has strength of 29g/Tex, the highest known so far in American cotton. It will be another three years that variety is put into trail in field.
- Farmers in major parts of the country are holding the crop due to low prices available in the market. Also, winter season is favoring them as it helps maintain the fiber moisture (8.5%). By March, the rise in day temperature will result in major off load of the fiber. Till date only 35% of cotton harvest has reached the market this season, this is 50-60% of the raw cotton which reach the market by this time of the year. Poor procurement by the market due to less domestic and export demand has resulted in less off take; 20 lakh bales by Private traders, 2 lakh bales by CCI and 10,000 bales by federation.

## Cotton International Fundamentals

- US Cotton future jump to 7 months high as speculations bet of robust demand from China from February and March.
- Egypt has agreed to export 1978 metric tons of cotton ended on Jan 17, 2013. The country has shipped 33,115 tons of the fiber, valued at \$95.1 million, since Sept. 1 2012. India is top importer of Egyptian cotton.
- Pakistan production may jump up from 13.3 million bales of earlier projected.

**Outlook:** We expect domestic cotton prices to continue steady to weak tone on rising arrivals and normal demand.

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

Contract	+/-	Open	High	Low	Close
Feb-13	0	0.00	0.00	0.00	0.00
Apr-13	-2	906	910.5	899	901.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-5	35	0
Apr-13	5351	130	12881	130

### Spread Feb-13 Apr-13

Basis	60	
Feb-13		31
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	-0.6	889	891.9	883	883.9
Apr-13	-1.3	911	914.5	904.1	905.3

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	293	-253	1074	-64
Apr-13	806	-286	1476	-9

### Spread Feb-13 Apr-13

Basis	-13.9	
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	0.18	16280	16380	16280	16300
28-Feb-13	0.3	16540	16650	16540	16570
29-Mar-13	0.36	16860	16940	16840	16840
30-Apr-13	0.41	17560	17560	17130	17130
31-May-13	0.75	17400	17470	17400	17430

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	23-01-2013	22-01-2013	
Amravati-Vunni Mech-1#	4000	4025	-25
Kadi-Bt Cotton#	4225	4250	-25
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4255	4265	-10
Rajkot-(B.T)	4225	4260	-35
Abohar-J-34*	3570	3555	15
Muktsar-J-34 *(Cotton )	3570	3555	15
*(Kapas BT Cotton)	4200	-	-
Fajlika *(Cotton New)	3540	3540	Unch
*(Kapas BT Cotton)	4240	4261	-21
Khandwa-(M.P)	4070	4100	-30
Khargaon-(M.P)	4070	4100	-30
Sri-Ganganagar	3510	3480	30

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	23-01-2013	22-01-2013	
Amravati -Vunni Mech-1#	6000	3000	3000
Kadi -Bt Cotton	55000	60000	-5000
Ahmedabad - Shankar-6#	50000	50000	Unch
Gondal	2250	1608	642
Rajkot-(B.T)	400	4640	-4240
Abohar-J-34*	1200	1400	-200
Muktsar-J-34 *(Cotton )	500	700	-200
*(Kapas BT Cotton)	-	-	-
Fajlika *(Cotton New)	-	-	-
*(Kapas BT Cotton)	1800	1800	Unch
Khandwa (M.P)	4500	5500	-1000
Khargaon-(M.P)	12000	17000	-5000
Sri-Ganganagar	7000	7000	Unch

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

**Cotton Association of India Spot Rates: 22/01/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (22/01/2013)	Rs. Per Candy (21/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34200	34600	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34700	35100	-400
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	33600	33700	-100
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 22/01/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	86.15	Unch

**China Cotton Index: As on 23/01/2013**

Index	RMB/Ton	Change
CCIndex(328)	19291	+2
CCIndex(527)	16923	+3
CCIndex(229)	20047	+6

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

**USDA Cotton Spot Rates: As on 22/01/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	76.93	80.18	2499
North Delta	75.93	78.43	3098
South Delta	75.93	78.43	NIL
East TX-OK	72.5	76	8278
West Texas	72.5	76	17804
Desert SW	74.43	80.93	297
SJ Valley	75.18	85.83	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 22/01/2013**

Contract	Open	High	Low	Close	Change
13-Mar	78.4	80.2	78.22	79.93	1.38
13-May	78.75	80.24	78.5	80.08	1.41
13-Jul	78.95	80.29	78.82	80.2	1.2
13-Oct	79.95	79.95	79.95	79.95	0.96
13-Dec	79	79.97	79	79.92	0.74
14-Mar	80.93	80.93	80.93	80.93	0.72

**Pakistan Cotton Spot rates: As on 22/01/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5950	155	6105
Equivalent	40 Kgs	6377	155	6532

**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>  
© 2013 Indian Agribusiness Systems Pvt Ltd.