

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Wednesday except Fazilika.
- Prices are going to be range bound. No significant movement seen in near future.
- According to India Rating agency the cotton prices are going to be stable at current levels or fall by 5-10percent. Consumption to production ratio is low with current global inventories ration estimated at 71 percent.
- Cotton yarn exports are expected to touch 1000 million kg in 2012-13 on heavy demand from China. This is a bumper year for the industry. Domestic production of cotton yarn from April-November 2012 stood at 2,317 million kg, 14 percent higher to same period last year.

Cotton International Fundamentals

- Pakistan has lost \$1 billion exports orders by textile industry due to shortage of power, which is 30-40 percent of exports. This has given Indian companies a window to rise in export orders. In December 100 million kg was exported.
- Egypt came to agree to export additional 800 metric tons of cotton by Jan.24. India is top importer of Egyptian cotton for manufacturing of luxury textile. 33,915 tons of the fiber, valued at \$97.6 million, since Sept. 1

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	15	853.50	866.50	850.50	866.50
Apr-13	14	908	922	906	918.50

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

Contract	+/-	Open	High	Low	Close
Feb-13	15.3	886.9	902	886.5	898.5
Apr-13	15.6	910.9	926.7	910.5	924.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	4	2	36	1
Apr-13	11946	777	13653	777

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	587	333	1052	10
Apr-13	1480	724	1498	9

Spread Feb-13 Apr-13

Basis	60	
Feb-13		48.5
April-13		

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

Spread Feb-13 Apr-13

Basis	-28.5	
Feb-13		25.5
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	0.85	16540	16710	16540	16640
28-Feb-13	0.42	16860	17040	16850	16880
29-Mar-13	0.29	17170	17380	17170	17180
30-Apr-13	0.23	17510	17700	17470	17500
31-May-13	0	17840	17950	17720	17730

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-01-2013	29-01-2013	
Amravati-Vunni Mech-1#	4050	4000	50
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4295	4255	40
Rajkot-(B.T)	4325	4310	15
Abohar-J-34*	3700	3640	60
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3700	3645	55
	4250	4200	50
Fajlika *(Cotton New) #(Kapas BT Cotton)	3640	3590	50
	4300	4320	-20
Khandwa-(M.P)	4080	4080	Unch
Khargaon-(M.P)	4080	4080	Unch
Sri-Ganganagar	3610	3580	30

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-01-2013	29-01-2013	
Amravati -Vunni Mech-1#	4000	4000	Unch
Kadi -Bt Cotton	55000	45000	10000
Ahmedabad - Shankar-6#	50000	50000	Unch
Gondal	2025	1943	82
Rajkot-(B.T)	4760	4680	80
Abohar-J-34*	1000	1000	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	600	600	Unch
Fajlika *(Cotton New) #(Kapas BT Cotton)	-	-	-
	2000	2000	Unch
Khandwa (M.P)	5000	4000	1000
Khargaon-(M.P)	13000	10000	3000
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: 29/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (29/01/2013)	Rs. Per Candy (28/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33200	33200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33700	33700	Unch
J-34(202)	26mm	3.5 - 4.9	23	33400	33100	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33400	33200	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	34000	33900	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34600	34400	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35500	35300	+200
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 29/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	88.05	+0.40

China Cotton Index: As on 30/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19268	+1
CCIndex(527)	16909	-1
CCIndex(229)	20040	+2

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

USDA Cotton Spot Rates: As on 29/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.14	82.39	4233
North Delta	78.39	80.89	721
South Delta	78.39	80.89	193
East TX-OK	74.25	77	1888
West Texas	74.25	77.5	8577
Desert SW	76.89	83.39	NIL
SJ Valley	77.64	88.29	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 29/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	81.45	83.88	81.45	82.39	1.34
13-May	81.43	83.49	81.43	82.58	1.57
13-Jul	81.08	83.07	81.08	82.7	1.73
13-Oct	81.18	81.26	81.18	81.26	1.23
13-Dec	80	81.2	80	81.18	1.19
14-Mar	81.73	82.05	81.7	82.05	1.16

Pakistan Cotton Spot rates: As on 29/01/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6050	155	6205
Equivalent	40 Kgs	6484	155	6639

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