

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Thursday.
- Prices are expected to rise on export demand in coming week.
- 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	0	0.00	0.00	0.00	0.00
Apr-13	-4.5	917	920.5	910.5	913.50

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

Contract	+/-	Open	High	Low	Close
Feb-13	-4.4	897.5	900.1	892	894.00
Apr-13	-3.7	923	927.9	916	920.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-4	35	-1
Apr-13	5704	60	13713	60

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	279	-308	1081	29
Apr-13	809	-671	1600	102

Spread	Feb-13	Apr-13
Basis	60	
Feb-13		43.5
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	-24	
Feb-13		26
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	-0.66	16530	16740	16480	16500
28-Feb-13	-0.71	16880	16890	16770	16780
29-Mar-13	-0.52	17430	17430	17060	17100
30-Apr-13	-0.69	17430	17480	17340	17370
31-May-13	-0.62	17640	17690	17590	17630

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	31-01-2013	30-01-2013	
Amravati-Vunni Mech-1#	4050	4050	Unch
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4300	4295	5
Rajkot-(B.T)	4300	4325	-25
Abohar-J-34*	3680	3700	-20
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3680	3700	-20
	4200	4250	-50
Fajlika *(Cotton New) #(Kapas BT Cotton)	3635	3640	-5
	4390	4300	90
Khandwa-(M.P)	4090	4080	10
Khargaon-(M.P)	4090	4080	10
Sri-Ganganagar	3600	3610	-10

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	31-01-2013	30-01-2013	
Amravati -Vunni Mech-1#	2000	4000	-2000
Kadi -Bt Cotton	50000	55000	-5000
Ahmedabad - Shankar-6#	50000	50000	Unch
Gondal	2256	2025	231
Rajkot-(B.T)	4400	4760	-360
Abohar-J-34*	700	1000	-300
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	400	600	-200
Fajlika *(Cotton New) #(Kapas BT Cotton)	-	-	-
	2000	2000	Unch
Khandwa (M.P)	4000	5000	-1000
Khargaon-(M.P)	8000	13000	-5000
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: 30/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (30/01/2013)	Rs. Per Candy (29/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33200	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34200	33700	+500
J-34(202)	26mm	3.5 - 4.9	23	33800	33400	+400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33700	33400	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	34300	34000	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34900	34600	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35800	35500	+300
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 30/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.30	+1.25

China Cotton Index: As on 31/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19271	+3
CCIndex(527)	16911	+2
CCIndex(229)	20041	+1

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

USDA Cotton Spot Rates: As on 30/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.71	82.96	3447
North Delta	78.96	81.46	888
South Delta	78.96	81.46	NIL
East TX-OK	74.75	77.5	4898
West Texas	74.75	78	18608
Desert SW	77.46	83.96	NIL
SJ Valley	78.21	88.86	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 30/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	82.31	83.09	82.05	82.96	0.57
13-May	82.46	83.25	82.2	83.16	0.58
13-Jul	82.58	83.21	82.25	83.15	0.45
13-Oct	81.23	81.23	81.23	81.23	-0.03
13-Dec	80.13	81.2	80.13	81.11	-0.07
14-Mar	82	82.06	82	82.06	0.01

Pakistan Cotton Spot rates: As on 30/01/2013 (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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