

Cotton Domestic Fundamentals:

Cotton prices firmed up in all the spot market despite Kadi Market which reported down by Rs.50 on Thursday. On other hand mixed movement of arrivals has been reported in all the key market. Arrivals in Ahmadabad stood up at 60,000 bales as compared to previous day arrival at 55,000 bales. 35% picking up has been completed in Gujarat as told by the traders. China and Pakistan is likely to rise their export from India i.e. 7.25 million tonnes and 2.27 million tonne respectively compared to previous year export figure 6.40 million tonnes and 1.91 million tonnes. Increasing export demand may boost up price further sourced by The Cotton Advisory Council. Farmers are remaining in anticipation of hike in price during upcoming days.

Cotton International Fundamentals

China's is likely to boost up national reserve higher than 3 million tons by the March stated; the State Cotton Reserves has bought total 2.38 million tons of cotton.

Outlook: Domestic and International

We expect domestic as well as international cotton prices to go up in short term and trade activities might gain momentum at these levels.

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

Contract	+/-	Open	High	Low	Close
Feb-12	28.10	895.00	912.50	890.20	912.0
Mar-12	26.00	888.60	911.60	883.60	911.0
Apr-12	20.00	899.00	917.00	886.50	916.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	47	-11	65	10
Mar-12	18	-11	39	-3
Apr-12	13538	2703	11317	-199

Spread	Feb-12	Mar-12	Apr-12
Basis	-17		
Feb-12		-1	
Mar-12			5
Apr-12			

NB: Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

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

Contract	+/-	Open	High	Low	Close
Mar-12	16.20	885.00	904.00	878.00	903.0
Apr-12	17.30	888.00	907.00	880.50	907.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	1665	-741	683	-51
Apr-12	1730	-1162	1165	90

Spread	Mar-12	Apr-12
Basis	-8	
Mar-12		4
Apr-12		

NB: Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
Jan-12	-0.39	18030	18200	17750	17950
Mar-12	0.27	18400	18630	18150	18490
Apr-12	2.29	18480	18870	18350	18740
May-12	-0.53	18650	18650	18650	18650

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	12-01-12	11-01-12	
Kadi – Bt Cotton#	4225-4700	4250-4650	+50
Amravati – Vunni Mech-1#	4050	4100	-50
Ahmedabad – Shankar-6#	4425-4525	4410-4500	+25
Abhor – J-34*	3860	3840	+20
Muktsar – J-34*	3860	3840	+20

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	12-01-12	11-01-12	
Kadi –Bt Cotton	450	450	Unch
Amravati –Vunni Mech-1	1000	1000	Unch
Ahmedabad – Shankar-6	60000	55000	+5000
Abohar	500	650	-150
Muktsar	270	300	-30

Cotton Association of India Spot Rates: As on 11/01/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	36300
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	37300
J-34	25mm	3.5 - 4.9	23	33700
H-4/ MECH-1	28mm	3.5 - 4.9	25	35400
Shankar-6	29mm	3.5 - 4.9	26	36500
Bunny/ Brahma	31mm	3.5 - 4.9	27	37000
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	37900
DCH-32	35mm	2.8 - 3.6	31	45000

Cotlook Index: As on 11/01/2012

Cotlook Indices	Cents/Pound	Change
A-Index	101.20	0.20

China Cotton Index: As on 12/01/2012

Index	RMB/Ton	Change
CCIndex(328)	19237	6
CCIndex(527)	16635	9
CCIndex(229)	20463	11

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

USDA Cotton Spot Rates: As on 11/01/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	92.62	94.37	243
North Delta	92.37	93.37	Nil
South Delta	92.37	93.37	Nil
East TX-OK	86.00	90.75	2942
West Texas	86.25	91.75	11,552
Desert SW	90.37	96.12	441
SJ Valley	91.87	102.27	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 11/01/2012

Contract	Open	High	Low	Close	Change
Mar-12	96.96	97.28	95.20	96.87	-0.09
May-12	96.33	96.70	94.72	96.43	-0.09
Jul-12	96.40	96.65	94.84	96.41	-0.14
Oct-12	95.88	95.88	95.88	95.88	-0.32
Dec-12	92.5	93.00	91.19	92.84	-0.19
Mar 13	92.00	93.56	92.00	93.56	-0.19

Pakistan Cotton Spot rates: As on 09/01/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5550	130	5680
Equivalent	40 Kgs	5948	130	6078

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