

Cotton Domestic Fundamentals:

- Weather continue to be a concern for surging cotton prices as recent rainfall in selected pockets of Punjab, Haryana and Northern Rajasthan slow down picking in the field. At the same time growers remain bit hesitant to bring their produce in the Mandi lending support to the cotton prices.
- Weather warning issued by IMD shows possibility of hail storm along with rains over selected pockets in Punjab, Haryana and North Rajasthan. Rain is likely to delay picking of cotton and could lead to lower arrivals in the market thereby lending support to the spot prices. However, any hailstorm as forecasted by IMD if materialize might lead to ball shedding or damage to the mature balls which may keep cotton prices moving forward.
- Arrivals to remain thin during last couple of days we expect a similar trend for coming couple of days from Punjab, Haryana and Northern Rajasthan. This is likely to keep short term price bullish trend intact.

Cotton International Fundamentals

- There is no major development in international cotton fundamentals and cotton prices on international front with stay steady due to extended holidays in US. However, we expect China to remain active in trade with a view to increase its state reserve.

Outlook: Domestic and International

Concisely we expect cotton prices to increase in domestic spot market with expectation of lower arrivals during coming couple of days.

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

Contract	+/-	Open	High	Low	Close
Feb-12	20.60	950.00	965.10	950.00	965.10
Mar-12	55.90	944.20	965.10	944.20	965.10
Apr-12	37.60	939.50	977.10	939.50	977.10

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

Contract	+/-	Open	High	Low	Close
Mar-12	37.70	943.80	981.00	943.80	981.00
Apr-12	37.90	949.00	985.40	948.00	985.40

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	32	-2	60	4
Mar-12	19	14	38	1
Apr-12	9397	50	10797	-119

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	2049	179	680	45
Apr-12	2824	-6523	1034	-9882

Spread	Feb-12	Mar-12	Apr-12
Basis	-55		
Feb-12		0	12
Mar-12			12

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

Spread	Mar-12	Apr-12
Basis	-71	
Mar-12		4.4
Apr-12		

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

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	16-01-12	13-01-12	
Kadi – Bt Cotton#	4300-4750	4200-4650	+100
Amravati – Vunni Mech-1#	4200	4100	+100
Ahmedabad – Shankar-6#	4500-4600	4400-4525	+75
Abhor – J-34*	3950	3925	+25
Muktsar – J-34*	3950	3925	+25

*Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	16-01-12	13-01-12	
Kadi –Bt Cotton	250	400	-150
Amravati –Vunni Mech-1	800	600	+200
Ahmedabad – Shankar-6	60000	60000	Unch
Abohar	250	600	-350
Muktsar	60	300	-240

Cotton Association of India Spot Rates: As on 14/01/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	36500
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	37500
J-34	25mm	3.5 - 4.9	23	33900
H-4/ MECH-1	28mm	3.5 - 4.9	25	35700
Shankar-6	29mm	3.5 - 4.9	26	36900
Bunny/ Brahma	31mm	3.5 - 4.9	27	37000
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38100
DCH-32	35mm	2.8 - 3.6	31	45000

Cotlook Index: As on 13/01/2012

Cotlook Indices	Cents/Pound	Change
A-Index	100.00	-1.20

China Cotton Index: As on 16/01/2012

Index	RMB/Ton	Change
CCIndex(328)	19251	5
CCIndex(527)	16660	14
CCIndex(229)	20470	5

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

USDA Cotton Spot Rates: As on 13/01/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.72	92.47	457
North Delta	90.47	91.47	Nil
South Delta	90.47	91.47	Nil
East TX-OK	84.50	89.25	238
West Texas	84.75	90.25	3117
Desert SW	89.97	94.72	62
SJ Valley	90.47	100.87	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 13/01/2012

Contract	Open	High	Low	Close	Change
Mar-12	95.55	95.98	94.52	95.47	-0.22
May-12	95.07	95.55	94.13	95.08	-0.17
Jul-12	95.14	95.50	94.13	95.10	-0.16
Oct-12	94.65	94.65	94.65	94.65	-0.16
Dec-12	91.5	92.08	90.90	91.95	-0.12

Mar 13	92.65	92.65	92.65	92.65	-0.03
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Pakistan Cotton Spot rates: As on 14/01/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5500	130	5630
Equivalent	40 Kgs	5894	130	6024

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