

Cotton Domestic Fundamentals:

- Mostly firm sentiments featured in the key cash markets of cotton on Monday. Supportive buying and weak arrivals remained the positive factor for the market.
- However, the cotton prices slightly skid in Kadi due to lackluster trade activity.
- Active participation of the exporters is expected to commence in near-term to meet their export obligation.
- The cotton demand is also expected to pick up from mills in days ahead.
- The arrivals in most of the centers fell while they remained steady in some. The farmers and the stockists are not keen in off-loading the produce at higher volume at the current quotes.

Cotton International Fundamentals

- The East African country of Tanzania harvested 224 million kg or 987,000 bales of cotton in previous season, production is significantly up 37 percent than the previous season's production of 163 million kg, reported by Tanzania Cotton Board.
- Chinese buying is expected during the week as well before the Chinese Lunar Year to cover most of their requirement for Feb. This is expected to lend underlying support to the cotton prices at global front.

Outlook: Domestic and International

Cotton prices at domestic centers are expected to stay range bound with weak for short term. However, it may find buying support at lower quotes due to expectation of lower arrivals and possibility of renewed Chinese buying.

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

Contract	+/-	Open	High	Low	Close
Feb-12	28.30	965.00	971.70	962.80	971.7
Mar-12	28.80	950.00	987.00	950.00	987.0
Apr-12	4.20	970.00	989.00	967.20	979.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	10	-25	62	-1
Mar-12	3	-10	27	-8
Apr-12	10759	-4907	11065	-69

Spread	Feb-12	Mar-12	Apr-12
Basis	-71.7	-87	-79
Feb-12		15.3	7.3
Mar-12			-8

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	-2.90	989.00	996.00	973.00	982.0
Apr-12	0.40	990.00	998.80	978.00	988.4

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	2564	-59	1176	323
Apr-12	3118	-337	1524	244

Spread	Mar-12	Apr-12
Basis	-82	-88.4
Mar-12		6.4
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 (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	23-01-12	21-01-12	
Kadi – Bt Cotton	4250-4650	4250-4675	-25
Amravati – Vunni Mech-1	4200	4200	Unch
Ahmedabad – Shankar-6	4450-4550	4400-4500	+50
Abhor – J-34	3875	3800	+75
Muktsar – J-34	3875	3820	+55

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	23-01-12	21-01-12	
Kadi –Bt Cotton (truck)	450	450	Unch
Amravati –Vunni Mech-1 (bales)	2000	4000	-2000
Ahmedabad – Shankar-6	65000	65000	Unch
Abohar (bales)	700	900	-200
Muktsar (bales)	400	600	-200

Cotton Association of India Spot Rates: As on 21/01/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	36600
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	37600
J-34	25mm	3.5 - 4.9	23	34400
H-4/ MECH-1	28mm	3.5 - 4.9	25	35300
Shankar-6	29mm	3.5 - 4.9	26	36500
Bunny/ Brahma	31mm	3.5 - 4.9	27	36500
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38400
DCH-32	35mm	2.8 - 3.6	31	48000

Cotlook Index: As on 20/01/2012

Cotlook Indices	Cents/Pound	Change
A-Index	102.45	+0.20

China Cotton Index: As on 21/01/2012

Index	RMB/Ton	Change
CCIndex(328)	19288	5
CCIndex(527)	16700	4
CCIndex(229)	20508	3

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

USDA Cotton Spot Rates: As on 20/01/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	93.35	95.10	2801
North Delta	92.60	93.60	2729
South Delta	92.60	93.60	NIL
East TX-OK	87.00	91.75	843
West Texas	87.25	92.75	5521
Desert SW	92.10	97.85	800
SJ Valley	93.60	104.00	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 20/01/2012

Contract	Open	High	Low	Close	Change
Mar-12	98.0	98.7	97.41	98.6	+0.43
May-12	97.96	98.68	97.44	98.63	+0.64
Jul-12	97.16	98.34	97.01	98.27	+0.70
Oct-12	96.23	96.88	96.23	96.88	+0.35
Dec-12	93.05	94.00	92.90	93.91	+0.64
Mar 13	94.46	94.46	94.46	94.46	+0.52

Pakistan Cotton Spot rates: As on 20/01/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5600	130	5730
Equivalent	40 Kgs	6002	130	6132

1.00 PKR = 0.557127 INR (as on dated 21st Jan)

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