

Cotton Domestic Fundamentals:

- Mixed sentiments featured in the cotton spot market on Friday amid lower supplies in the market.
- Total Yarn export is registered at 79.14 million kgs down from the last month export figure i.e 83.05 million kgs.
- However, the production estimate stood at 3.45 kgs bales is higher from last five years cotton production estimates.
- Domestic ginner/mills are slowly procuring cotton from mandi. Demand from handloom is stable. Lack of aggressive buying from all the section keeps domestic cotton prices almost range bound with marginal decline.

Cotton International Fundamentals

According to Cotlook Ltd. and the China Cotton Association, China is likely to decrease plating area of fiber by 9.7% in 2012 mainly in Xinjiang. 5% down plating area is expected to plan in Xinjiang by the farmers. Totaled planting area is expected to reduce at 71.95 million mu (4.8 million hectares).

Outlook: Domestic and International

Concisely prices might correct for short term due to lukewarm buying interest. However, higher domestic consumption and anticipation of higher export during 2012 might keep medium to long term fundamentals on encouraging note.

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

Contract	+/-	Open	High	Low	Close
Feb-12	-3	868.5	882	868.5	882
Mar-12	-26.5	880.1	880.1	880.1	880.1
Apr-12	-13.4	912	913	893.2	903.4

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

Contract	+/-	Open	High	Low	Close
Mar-12	-11.8	893.8	901.9	885	892.7
Apr-12	-12.2	904	920.4	904	911.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	2	-7	60	-1
Mar-12	1	-6	11	0
Apr-12	5789	-3549	8381	115

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	395	-544	694	-13
Apr-12	938	-926	726	-82

Spread	Feb-12	Mar-12	Apr-12
Basis	5		
Feb-12		1.9	
Mar-12			-23.3

NB: Spread was done by taking avg spot prices at Ahmedabad market for Shankar cotton.

Spread	Mar-12	Apr-12
Basis	-5.7	
Mar-12		-19.2

NB: Spread was done by taking avg spot prices at Ahmedabad market for Shankar cotton.

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

Contract	% Change	Open	High	Low	Close
30-Mar-12	-1.64	18150	18170	17920	18010
30-Apr-12	-1.61	18200	18520	18200	18380
31-May-12	-1.11	18750	18850	18670	18740

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	10-02-12	09-02-12	
Kadi – Bt Cotton	4325-4575	4325-4600	-25
Amravati – Vunni Mech-1	4100	4100-4125	-25
Ahmedabad – Shankar-6	4400-4475	4400-4450	+25
Abhor – J-34	3860	3860	Unch
Muktsar – J-34	3860	3860	Unch

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	10-02-12	09-02-12	
Kadi –Bt Cotton (truck)	350	450	-100
Amravati –Vunni Mech-1 (bales)	6000	6000	Unch
Ahmedabad – Shankar-6	50000	55000	-5000
Abohar (bales)	800	800	Unch
Muktsar (bales)	400	400	Unch

Cotton Association of India Spot Rates: As on 9/02/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	35300
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	36300
J-34	25mm	3.5 - 4.9	23	34200
H-4/ MECH-1	28mm	3.5 - 4.9	25	35000
Shankar-6	29mm	3.5 - 4.9	26	36500
Bunny/ Brahma	31mm	3.5 - 4.9	27	36700
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38300
DCH-32	35mm	2.8 - 3.6	31	48000

Cotlook Index: As on 9/02/2012

Cotlook Indices	Cents/Pound	Change
A-Index	101.75	-0.85

China Cotton Index: As on 10/02/2012

Index	RMB/Ton	Change
CCIndex(328)	19472	+6
CCIndex(527)	16848	+20
CCIndex(229)	20685	+13

USDA Cotton Spot Rates: As on 9/02/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.63	86.38	1045
North Delta	84.13	85.13	NIL
South Delta	84.13	85.13	4
East TX-OK	80.00	84.75	141
West Texas	80.25	85.75	3147
Desert SW	83.63	89.38	130
SJ Valley	84.88	95.28	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 9/02/2012

Contract	Open	High	Low	Close	Change
Mar-12	93.85	94.44	90.23	90.38	-3.24
May-12	96.00	96.07	91.81	91.88	-3.30
Jul-12	97.50	97.67	93.30	93.45	-3.40
Oct-12	93.65	93.65	93.65	93.65	-3.30
Dec-12	96.00	96.65	92.31	92.88	-3.04
Mar 13	95.80	95.80	93.62	94.05	-3.02

Pakistan Cotton Spot rates: As on 09/02/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5800	130	5930
Equivalent	40 Kgs	6216	130	6346

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