

Cotton Domestic Fundamentals:

Lack luster trade can be seen in different spot market due to tepid buying. Lack of aggressive buying and weak export demand continue to weigh on the market sentiments. Exporters are waiting for correction and already covered their near term requirement. Relatively, domestic ginners/mills are slowly procuring cotton from Mandi and lack aggressive buying. 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 the National Cotton Council forecast, U.S crop sowing is likely to decrease by 7.5 from the last year 2011 as forecasted by the National Cotton Council. As cotton prices is down compare to others crop like corn, soybean and peanuts said by NCC vice president.

According to China National Corp, China imports slumped by 59% from the previous month. At the end of January, China cotton imports stood down by 17% to 326,500 tonnes compared to previous year.

Outlook: Domestic and International

Cotton prices might correct for short term due to lukewarm buying interest. Currently china buying activities is slow which signal downtrend in the market.

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

Contract	+/-	Open	High	Low	Close
Feb-12	-33.20	853.00	870.00	842.00	842.00
Mar-12	-30.00	894.90	894.90	869.80	869.80
Apr-12	-31.20	909.00	910.50	874.30	878.20

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

Contract	+/-	Open	High	Low	Close
Mar-12	-25.10	903.00	903.00	865.70	871.80
Apr-12	-30.20	919.00	919.00	882.60	886.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	14	14	56	-4
Mar-12	6	5	11	0
Apr-12	7472	3504	7891	-355

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	604	-649	729	-51
Apr-12	1253	-976	794	-150

Spread	Feb-12	Mar-12	Apr-12
Basis	38.00		
Feb-12		-27.80	
Mar-12			-8.40

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

Spread	Mar-12	Apr-12
Basis	8.20	
Mar-12		-14.70

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	-1.11	18070	18080	17800	17870
30-Apr-12	-1.41	18460	18460	18170	18220
31-May-12	-1.38	18750	18750	18530	18550

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	13-02-12	11-02-12	
Kadi – Bt Cotton	4250-4575	4250-4575	Unch
Amravati – Vunni Mech-1	4025-4050	4075	-25
Ahmedabad – Shankar-6	4350-4450	4400-4475	-25
Abhor – J-34	3825	3850	-25
Muktsar – J-34	3825	3850	-25

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	13-02-12	11-02-12	
Kadi –Bt Cotton (truck)	300	450	-150
Amravati –Vunni Mech-1 (bales)	7000	6000	+1000
Ahmedabad – Shankar-6	50000	50000	Unch
Abohar (bales)	850	800	Unch
Muktsar (bales)	400	350	+50

Cotton Association of India Spot Rates: As on 11/02/2012

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	34100
H-4/ MECH-1	28mm	3.5 - 4.9	25	34700
Shankar-6	29mm	3.5 - 4.9	26	36200
Bunny/ Brahma	31mm	3.5 - 4.9	27	36200
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.A.
DCH-32	35mm	2.8 - 3.6	31	49000

Cotlook Index: As on 10/02/2012

Cotlook Indices	Cents/Pound	Change
A-Index	99.75	-2.00

China Cotton Index: As on 13/02/2012

Index	RMB/Ton	Change
CCIndex(328)	19475	+3
CCIndex(527)	16860	+12
CCIndex(229)	20696	+11

USDA Cotton Spot Rates: As on 10/02/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.86	86.61	NIL
North Delta	84.36	85.36	NIL
South Delta	84.36	85.36	NIL
East TX-OK	80.25	85.00	1286
West Texas	80.50	86.00	1743
Desert SW	83.86	89.61	NIL
SJ Valley	85.11	95.51	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 10/02/2012

Contract	Open	High	Low	Close	Change
Mar-12	91.12	91.46	89.99	90.61	+0.23
May-12	93.49	93.49	91.62	92.06	+0.18
Jul-12	94.45	94.71	93.10	93.57	+0.12
Oct-12	93.77	93.77	93.77	93.77	+0.12
Dec-12	92.75	94.50	92.43	92.97	+0.09
Mar 13	94.07	94.07	94.07	94.07	+0.02

Pakistan Cotton Spot rates: As on 11/02/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5700	130	5830
Equivalent	40 Kgs	6109	130	6239

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