

## Cotton Domestic Fundamentals:

- Mostly firm trend witnessed in the cotton spot markets despite rising supplies in the markets.
- Spinners demand weighed on the cotton prices.
- Rain has been received in Gujarat, Maharashtra and Madhya Pradesh.
- In North India, the developments of already sown cotton crops are comparatively slow in progress due to ample water availability for fertilizing purpose.
- According to textile commissioner, Cotton Plant requires total 90 days to develop well. If Monsoon is delay further, cotton farmers is likely to switch to short duration crops reducing cotton area in 2012/13.
- Domestic offer price of 30 count combed cotton yarn placed at Rs 195 per kg, 30 count carded cotton yarn at Rs 185 per kg and 30 count single PC yarn at 185 per kg.
- According to market source, South Indian mills have accumulated two months of forward orders as they are getting good profit currently which will support yarn prices to increase further.

## Cotton International Fundamentals

- According to the National Agricultural Statistics Service, boll setting was estimated at 35percent in Louisiana and 28 percent in Mississippi.

## Outlook: Domestic and International

We expect domestic cotton price to trade on bullish phase.

### NCDEX Kapas Futures: (Prices in Rs/20/g)

Contract	+/-	Open	High	Low	Close
Feb-13	5.5	1049.5	1072	1040.5	1052.5
Apr-13	-5.5	1058	1063	1047	1055

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

Contract	+/-	Open	High	Low	Close
Feb-13	1.1	1045	1051	1036.3	1049
Apr-13	-6.3	1055	1055	1039	1046.6

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	12	-16	42	-1
Apr-13	4,769	4769	4260	4260

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	100	-1	25	-13
Apr-13	217	-187	268	10

Spread	Feb-13	Apr-13
Basis	-190	
Feb-13		2.50
April-13		

**NB:** Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

Spread	Feb-13	Apr-13
Basis	-186.5	
Apr-13		-2.40

**NB:** Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market Basis = Spot - April

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

Contract	% Change	Open	High	Low	Close
31-Jul-12	0.93	17220	17390	17140	17360
31-Aug-12	0.46	17500	17680	17480	17590
31-Oct-12	-0.9	17700	17820	17380	17550
30-Nov-12	-0.52	17300	17390	17200	17230
31-Dec-12	-0.64	17260	17340	17140	17150

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	10-7-2012	9-7-2012	
Amravati-Vunni Mech-1#	4500	4450	+50
Kadi-Bt Cotton#	4350-4650	4200-4600	+50
Ahmedabad-Shankar-6#	4125-4500	4000-4350	+150
Gondal	3000-4550	3000-4500	+50
Rajkot-(B.T)	4000-4605	3975-4525	+80
Abohar-J-34*	3630	3580	+50
Muktsar-J-34*	3630	3580	+50
Fajlika#	3580	3600	-20
Khandwa M.P.	-	-	-
Patan-(B.T)	-	-	-
Sri-Ganganagar	3530	3560	-30

\*-Rs/maund, #-Rs.qtl

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	10-7-2012	9-7-2012	
Amravati -Vunni Mech-1`	1500	1500	Unch
Kadi -Bt Cotton	50	50	Unch
Ahmedabad - Shankar-6	15000	10000	+5000
Gondal	640	620	+20
Rajkot-(B.T)	500	460	+40
Abohar	60	-	-
Muktsar	-	-	-
Fajlika	-	-	-
Khandwa M.P.	-	-	-
Patan-(B.T)	-	-	-
Sri-Ganganagar	-	-	-

Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

**Cotton Association of India Spot Rates: 9/7/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (9/7/2012)	Rs. Per Candy (7/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41000	40500	<b>+500</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42300	41800	<b>+500</b>
J-34(202)	26mm	3.5 - 4.9	23	32900	32600	<b>+300</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34600	34400	<b>+200</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	35100	34900	<b>+200</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37700	37500	<b>+200</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	38900	38700	<b>+200</b>
DCH-32(107)	34mm	3.0 - 3.8	33	51000	50000	<b>+100</b>

**Cotlook Index: As on 9/7/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	81.55	<b>Unch</b>

**China Cotton Index: As on 10/7/2012**

Index	RMB/Ton	Change
CCIndex(328)	18171	<b>+3</b>
CCIndex(527)	15846	<b>+2</b>
CCIndex(229)	19325	<b>+3</b>

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

**USDA Cotton Spot Rates: As on 9/7/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.37	71.37	NIL
North Delta	67.12	68.12	NIL
South Delta	67.12	68.12	NIL
East TX-OK	60.75	65.75	1244
West Texas	61.00	67.25	30
Desert SW	65.62	72.12	NIL
SJ Valley	66.37	77.02	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 9/7/2012**

Contract	Open	High	Low	Close	Change
Jul-12	70.84	70.84	70.84	70.84	0.06
Oct-12	70.75	71.8	70.37	70.37	-0.16
Dec-12	71.2	72.6	70.35	70.69	0.07
Mar-12	72.45	73.76	71.65	71.98	0.08
May-12	73.6	74.45	72.73	73.09	0.1
Jul-12	74.55	75.45	73.77	74.16	0.19

**Pakistan Cotton Spot rates: As on 9/7/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	6100	130	6230
<b>Equivalent</b>	40 Kgs	6537	130	6667

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.