

Cotton Domestic Fundamentals:

- Cotton prices witnessed weak to steady tone on Monday.
 - Average Arrival was registered in key spot markets.
 - Union government announces Rs.250 cr. package for Uttrakhand textile industry development.
 - Higher acreage is reported in the states of Andhra Pradesh (up by 6.01lakh ha.), Maharashtra (up by 2.88lakh ha.), Orissa (up by 0.34lakh ha.), Haryana (up by 0.82lakh ha.), Karnataka (up by 0.09lakh ha.) and Rajasthan (up by 0.68lakh ha.) as per Ministry of Agriculture.
- Lower area is reported in the states of Gujarat (down by 4.22lakh ha.), Madhya Pradesh (down by 0.55lakh ha), Punjab (down by 0.31lakh ha.) compared to same period during previous year.

Cotton International Fundamentals

- Egypt has agreed to export 2,455 metric tonne of cotton in this week. India is the largest importer of cotton from Egypt.
- According to Cotton China Association, Country output is likely to fall by 4.2 percent to 6.97 million tonnes in 2012.

Outlook: Domestic and International

We expect domestic cotton price to trade on bearish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-32.50	1103.00	1103	1075	1075
Apr-13	-29.00	1136.00	1136	1093.5	1102.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	3	2	112	0
Apr-13	7,895	3311	6660	-318

Spread Feb-13 Apr-13

Basis	-100	
Feb-13		27.50
April-13		

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

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

Contract	+/-	Open	High	Low	Close
Feb-13	-26.80	1118	1121.8	1082.62	1089.3
Apr-13	-27.40	1127	1127	1089.8	1096.1

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	278	174	187	16
Apr-13	277	196	350	15

Spread Feb-13 Apr-13

Basis	-114.3	
Feb-13		6.80
April-13		

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

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

Contract	% Change	Open	High	Low	Close
31-Aug-12	-1.07	17800	17810	17440	17580
31-Oct-12	-1.68	18420	18500	18070	18110
30-Nov-12	-1	18040	18040	17750	17810
31-Dec-12	-0.78	18070	18080	17720	17900
31-Jan-13	-1.14	18300	18300	18170	18170

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	27-8-2012	25-8-2012	
Amravati-Vunni Mech-1#	4850	4900	-50
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	4760-5000	4750-5000	Unch
Gondal	2500-5000	1755-5015	-15
Rajkot-(B.T)1	4125-4900	4125-4975	-75
Abohar-J-34*	3975	3950	+25
Muktsar-J-34*	3975	3950	+25
Fajlika#	3925	-	-
Khandwa M.P.	5200-5300	5200	+100
Patan-(B.T)	-	-	-
Sri-Ganganagar	3930	3900	+30

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	27-8-2012	25-8-2012	
Amravati -Vunni Mech-1#	700	700	Unch
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	740	931	-191
Rajkot-(B.T)	400	900	-500
Abohar	-	-	-
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: 25/8/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (25/8/2012)	Rs. Per Candy (24/8/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	42100	42000	+100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42800	42800	Unch
J-34(202)	26mm	3.5 - 4.9	23	36100	35900	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37400	37400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38200	38200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40500	40500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	N.Q.	N.Q.	-
DCH-32(107)	34mm	3.0 - 3.8	33	53500	53500	Unch

Cotlook Index: As on 24/8/2012

Cotlook Indices	Cents/Pound	Change
A-Index	86.40	-0.20

China Cotton Index: As on 27/8/2012

Index		
	18440	+10
CCIndex(328)	16118	+13
CCIndex(527)	19452	+2
CCIndex(229)	18440	+10

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

USDA Cotton Spot Rates: As on 24/8/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.95	74.95	NIL
North Delta	71.70	73.20	NIL
South Delta	71.70	73.20	NIL
East TX-OK	69.00	73.75	610
West Texas	68.50	74.25	NIL
Desert SW	69.70	76.20	NIL
SJ Valley	70.45	81.10	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 24/8/2012

Contract	Open	High	Low	Close	Change
Oct-12	75	75.97	74.05	74.45	-1.45
Dec-12	76.97	76.99	74.72	75.21	-1.59
Mar-12	77.57	77.60	75.50	75.94	-1.44
May-12	77.94	77.91	75.95	76.39	-1.41
Jul-12	77.63	78.45	76.48	76.94	-1.51
Oct-12	79.76	78.37	78.37	78.37	-1.39

Pakistan Cotton Spot rates: As on 25/8/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5850	155	6005
Equivalent	40 Kgs	6269	155	6424

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.