

### Cotton Domestic Fundamentals:

- Cotton prices showed steady to strong tone on Thursday.
- Major Arrivals will only start after October 15.
- Cotton sowing progress, 114.94 lakh hectares have been sown in 2012-13, which is lower than previous year, due to late monsoon.
- Cotton slides downwards, as Gujarat received good rains for its standing crops. Development is likely to reduce crop loss in Gujarat.
- Exporters are booking forward contracts of November, as prices are far below than last year due to sluggish demand and over expectation of price arise after arrivals will start.
- Cotton exports from India touched 12.7 million bales of 170 kg each in the ongoing marketing season which ends this month.
- Arrivals have started in Punjab, Haryana as harvesting began, soon farmers will bring their produce to market. But major arrivals will only begin after October 15, where actual situation of prices can be noted.

### Cotton International Fundamentals

- Global cotton production will exceed demand, more than which was forecasted by Cotlook. Global output is likely to be 3.239 million metric tonnes up from last month projection of 3.0 million metric tonnes.
- China will stop releasing its cotton reserve by Sept 29 as this year's fresh cotton is launched onto the market, said an official from the National Development and Reform Commission.

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	-16.00	924.00	928.5	921	924
Apr-13	-37.50	960.00	962	925.5	926.5

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	8	-1	63	1
Apr-13	9,220	2,261	7846	786

#### Spread Feb-13 Apr-13

Basis	-74	
Feb-13		2.50
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	-37.50	930	933	900.3	900.3
Apr-13	-38.40	952.9	957	922.4	922.4

#### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	201	28	413	-1
Apr-13	411	150	347	43

#### Spread Feb-13 Apr-13

Basis	-50.3	
Feb-13		22.10
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-Oct-12	-1.52	16430	16430	16200	16250
30-Nov-12	-1.17	16130	16160	15970	16030
31-Dec-12	-1.78	16210	16250	15990	16040
31-Jan-13	-0.9	16250	16480	16250	16480

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	21-9-2012	20-9-2012	
Amravati–Vunni Mech-1#	4100	4300	-200
Kadi–Bt Cotton#	-	-	-
Ahmedabad–Shankar-6#	4000-4500	4000-4500	Unch
Gondal1	2155-4265	Closed	-
Rajkot-(B.T)	3750-4800	Closed	-
Abohar–J-34*	3700	3705	-5
Muktsar–J-34*	3700	3550-3715	-15
Fajlika#	3620	3665	-45
Khandwa M.P.	3300-3600	3000-3600	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3600	3600	Unch

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	21-9-2012	20-9-2012	
Amravati –Vunni Mech-1#	400	800	-400
Kadi –Bt Cotton	-	-	-
Ahmedabad – Shankar-6#	3000	2000	+1000
Gondal	1008	Closed	-
Rajkot-(B.T)	830	Closed	-
Abohar	150	-	-
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: 20/9/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (20/9/2012)	Rs. Per Candy (19/9/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39500	39200	+300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40100	39800	+300
J-34(202)	26mm	3.5 - 4.9	23	32900	33000	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34400	34900	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	35100	35300	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38000	38500	-500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39500	40000	+500
DCH-32(107)	34mm	3.0 - 3.8	33	52500	52500	Unch

**Cotlook Index: As on 20/9/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	85.25	+0.10

**China Cotton Index: As on 21/9/2012**

Index	RMB/Ton	Change
CCIndex(328)	18651	+1
CCIndex(527)	16343	+3
CCIndex(229)	19585	Unch

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

**USDA Cotton Spot Rates: As on 20/9/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.72	74.72	NIL
North Delta	70.97	72.47	NIL
South Delta	70.97	72.47	NIL
East TX-OK	68.25	73	1051
West Texas	67.75	73.5	12
Desert SW	69.72	76.22	NIL
SJ Valley	70.47	81.12	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 20/9/2012**

Contract	Open	High	Low	Close	Change
Oct-12	74.44	74.44	73.71	73.74	-1.14
Dec-12	76.11	76.4	75.05	75.22	-1.19
Mar-13	76.96	77.06	75.89	75.99	-1.17
May-13	78.02	78.02	76.77	76.84	-1.18
Jul-13	78.4	78.4	77.55	77.6	-1.2
Oct-13	78.75	78.75	78.75	78.75	-1.24

**Pakistan Cotton Spot rates: As on 20/9/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5550	155	5705
Equivalent	40 Kgs	5948	155	6103

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