

Cotton Domestic Fundamentals:

- Cotton prices noticed steady tone on Thursday.
- There has been a significant increase in area sown under cotton in Andhra Pradesh which will compensate for the loss in Gujarat.
- Supplies in spot markets are rising in Punjab, Haryana and Rajasthan; prices in overseas markets are low due to record output with lower demand. Also rupee is also getting stronger. All these factors are weighing on sentiments.
- The estimated production of Cotton at 33.40 million bales (of 170 kg each) has registered an increase of 5.32 million bales as compared to average cotton production of 28.08 million bales
- Area under cotton is down by 5.20 lakh hectares to **114.94 lakh hectares** as on 21st September 2012 compared to 120.17 lakh hectares during the same period last year. **Higher acreage** is reported in the states of **Andhra Pradesh** (up by 3.35 lakh ha.), **Maharashtra** (up by 0.47 lakh ha.), and **Orissa** (up by 0.12 lakh ha.) as per Ministry of Agriculture. **Lower area** is reported in the states of **Rajasthan** (down by 1.17 lakh ha.), **Haryana** (down by 0.02 lakh ha.), **Gujarat** (down by 5.56 lakh ha.), **Madhya Pradesh** (down by 0.98 lakh ha) and **Punjab** (down by 0.44 lakh ha.) and compared to same period during previous year.
- Traders are expecting high arrivals by mid-October and prices of cotton are likely to continue downfall in prices.
- Major Arrivals will only start after October 15.

Cotton International Fundamentals

- Global output is likely to be at 76 million bales for year ending in July next year.
- Global cotton prices are likely to fall by 11 percent amid higher output and lesser demand.

Outlook: We expect domestic cotton prices to witness bearish tone.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-4.50	892.50	892.50	892.50	892.50
Apr-13	2.00	913.00	924.50	906.00	919.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	-16	68	0
Apr-13	6564	-3051	8410	385

Spread Feb-13 Apr-13

Basis	-42.5	
Feb-13		27.00
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	-1.40	889.00	899.30	885.00	891.5
Apr-13	0.60	913.00	923.00	906.00	915.90

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	249	-84	531	-4
Apr-13	1150	224	386	7

Spread Feb-13 Apr-13

Basis	-41.5	
Feb-13		24.40
April-13		

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-Oct-12	-0.61	16300	16360	16150	16220
30-Nov-12	-0.5	15920	16050	15860	15920
31-Dec-12	-0.25	15950	16080	15890	15990
31-Jan-13	-1.22	16300	16300	16150	16260
28-Feb-13	-0.6	16500	16500	16500	16500

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	27-9-2012	26-9-2012	
Amravati-Vunni Mech-1#	3450-3500	3400	+100
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	3500-4500	3500-4500	Unch
Gondal1	2280-3980	2305-4105	-125
Rajkot-(B.T)	4440	3650-4500	-60
Abohar-J-34*	3600	3600	Unch
Muktsar-J-34*	3600	3600	Unch
Fajlika#	-	-	-
Khandwa M.P.	2900-3300	2900-3300	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3510	3510	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	26-9-2012	25-9-2012	
Amravati –Vunni Mech-1#	700	1000	-300
Kadi –Bt Cotton	-	-	-
Ahmedabad – Shankar-6#	-	-	-
Gondal	1053	1011	-42
Rajkot-(B.T)	2210	1950	+260
Abohar	100	200	-100
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: 26/9/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (26/9/2012)	Rs. Per Candy (25/9/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36600	36400	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37300	37300	Unch
J-34(202)	26mm	3.5 - 4.9	23	32000	31800	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33800	33500	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	34400	34300	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36000	36000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37000	37000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	49000	49200	-200

Cotlook Index: As on 26/9/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.90	Unch

China Cotton Index: As on 27/9/2012

Index	RMB/Ton	Change
CCIndex(328)	18666	+1
CCIndex(527)	16360	+2
CCIndex(229)	19591	Unch

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

USDA Cotton Spot Rates: As on 26/9/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.52	70.52	NIL

North Delta	66.77	68.27	NIL
South Delta	66.77	68.27	NIL
East TX-OK	64.25	69	163
West Texas	63.75	69.5	222
Desert SW	65.52	72.02	NIL
SJ Valley	66.27	76.92	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 26/9/2012

Contract	Open	High	Low	Close	Change
Oct-12	69.52	69.52	69.52	69.52	-1.29
Dec-12	72.33	72.67	70.98	71.02	-1.31
Mar-13	73.45	73.5	71.93	71.98	-1.22
May-13	74.28	74.37	72.9	72.96	-1.14
Jul-13	74.13	74.2	73.91	74.05	-1.03
Oct-13	75.67	75.67	75.67	75.67	-1.07

Pakistan Cotton Spot rates: As on 26/9/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5400	155	5555
Equivalent	40 Kgs	5787	155	5942

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.