

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Monday in key spot markets.
- Cotton prices has been close to MSP levels now, in futures market, prices are generally fall this time of the year when the farmers had to bring their crop to market, for procuring the crop at low prices. Prices are likely to be down until good quality cotton starts to arrive in the market which is likely to begin after 15 October.
- Cotton arrivals have started picking up but traders are waiting for quality cotton in the market which will begin in third week of October. Until then cotton traders and millers are keeping distance from buying.
- India garments exports fell by 10.5 percent from previous year to \$1.1 billion in June due to weak export demand.
- There has been a significant increase in area sown under cotton in Andhra Pradesh which will compensate for the loss in Gujarat.

Cotton International Fundamentals

- Egypt will export 424 metric tonnes of additional cotton this weak starting September 27, 2012. Egypt has already exported 3,163 tonnes of cotton this month. Country has finest cotton in the world.
- Tanzania and Uzbekistan are likely to have record production of cotton in year 2012-13.
- Pakistan production is estimated at 15 million bales for 2012-13. Also domestic consumption is 13 million bales as of last year.

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	17.00	863.50	888.00	855.50	879.00
Apr-13	17.00	895.00	928.00	891.00	915.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	14	8	79	1
Apr-13	8868	4887	9628	646

Spread Feb-13 Apr-13

Basis	-59	
Feb-13		36.00
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	14.60	870.10	900.30	870.10	888.7
Apr-13	14.20	893.00	923.00	886.00	910.00

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	338	187	549	34
Apr-13	820	477	370	-2

Spread Feb-13 Apr-13

Basis	-68.7	
Feb-13		21.30
April-13		

B: 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	-0.12	15940	16160	15940	16030
30-Nov-12	-0.25	15790	15970	15760	15810
31-Dec-12	-0.19	15810	16020	15800	15850
31-Jan-13	-1.28	16230	16230	16150	16150
28-Feb-13	-1.52	16250	16250	16250	16250

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	01-10-2012	29-9-2012	
Amravati-Vunni Mech-1#	3500	3500-3525	-25
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	3700-4500	3500-4500	Unch
Gondal1	2355-4255	2260-4080	+175
Rajkot-(B.T)	3750-4175	3575-4360	+185
Abohar-J-34*	3200-3450	3500-3600	-150
Muktsar-J-34*	3450	3500-3600	-150
Fajlika#	-	-	-
Khandwa M.P.	3000-3300	2800-3300	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3480	3500	-20

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	01-10-2012	29-9-2012	
Amravati -Vunni Mech-1#	560	500	+60
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	6000	6000	Unch
Gondal	1594	876	+718
Rajkot-(B.T)	2500	2080	+420
Abohar	200	125	+75
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: 28/9/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (28/9/2012)	Rs. Per Candy (27/9/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36600	36600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37100	37100	-200
J-34(202)	26mm	3.5 - 4.9	23	32000	32000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33700	33700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34200	34100	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35700	35700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36500	36500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 28/9/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.30	+0.50

China Cotton Index: As on 29/9/2012

Index	RMB/Ton	Change
CCIndex(328)	18673	+2
CCIndex(527)	16372	+5
CCIndex(229)	19598	+4

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

USDA Cotton Spot Rates: As on 28/9/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.15	70.15	NIL
North Delta	66.4	67.9	NIL
South Delta	66.4	67.9	578
East TX-OK	63.75	68.5	93
West Texas	63.25	69	864
Desert SW	65.15	71.65	NIL
SJ Valley	65.9	76.55	135

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 28/9/2012

Contract	Open	High	Low	Close	Change
Oct-12	70.63	70.63	69.15	69.15	-0.88
Dec-12	71.4	72.19	70.58	70.65	-0.88
Mar-13	72.5	73.04	71.63	71.68	-0.81
May-13	73.53	73.93	72.7	72.76	-0.75
Jul-13	74.61	74.88	73.84	73.91	-0.68
Oct-13	75.12	76.6	75.12	75.63	-0.67

Pakistan Cotton Spot rates: As on 29/9/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5200	155	5355
Equivalent	40 Kgs	5573	155	5728

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