

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Saturday.
- Prices traded in a narrow range amid lack –luster demand in the spot market.
- Millers are waiting for good quality crop arrivals in the coming days.
- New crop arrivals are picking up in various states.
- In Gujarat, moisture content in new crop arrival is around 20 -25%. Demand is less following higher moisture content in the new crop.
- In Southern states, prices are steady amid limited supply.
- Normal kapas with minimum moisture content is expected in the market by November.
- Around 50 spinning mills in the Coimbatore region have formed Cotton Sourcing Company to procure cotton at cheaper price and protect them from price irregularities in the market.
- The Company is planning to procure 18 lakh bales of cotton during this season.

Cotton International Fundamentals

- According to USDA, global inventory forecast for the season to end-July 2013 increased by 3.4 percent to a record of 79.11 million 480-lb bales due to a combination of sharply higher production and reduced consumption.
- Net Upland sales of 121,000 running bales for the 2012/2013 marketing year were down 49 percent for the week ending on 12th October compared to previous week.
- Cotton futures at NYMEX recovered slightly amid short –covering. Overall outlook is bearish amid estimated higher stocks.
- Prices declined in Pakistan amid increase in arrivals in the spot markets.
- According to trade officials, floods in the cotton producing states of Pakistan affected around 1.5 million cotton bales.

Outlook: We expect domestic cotton prices to continue steady to weak tone amid unavailability of good quality cotton arrival.

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

Contract	+/-	Open	High	Low	Close
Feb-13					
Apr-13	-0.5	930.00	939.00	926.50	931.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-23	0	-55
Apr-13	3769	-4529	10578	31

Spread

	Feb-13	Apr-13
Basis	-	
Feb-13		-
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	4.2	900	914.7	900	909.5
Apr-13	0.8	929	936.5	925	930.7

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	141	-126	585	19
Apr-13	582	-593	451	18

Spread

	Feb-13	Apr-13
Basis	-139.5	
Feb-13		21.2
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	-0.13	15990	16000	15930	15970
30-Nov-12	0.19	15760	15780	15710	15770
31-Dec-12	0.19	15750	15760	15700	15750
31-Jan-13	0	15800	15920	15800	15900
28-Feb-13	0.06	16010	16010	16010	16010

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	13-10-2012	12-10-2012	
Amravati-Vunni Mech-1#	3700	3650-3700	Unch
Kadi-Bt Cotton#	3750-4200	3700-4200	Unch
Ahmedabad-Shankar-6#	3500-4200	3500-4200	Unch
Gondal1	3775-4250	3400-4310	-60
Rajkot-(B.T)	3875-4350	3875-4350	Unch
Abohar-J-34*	3320	3350	-30
Muktsar-J-34*	3320	3350	-30
Fajlika # (Cotton New) # (Kapas BT Cotton)	3500	3500	Unch
	3600-4100	3600-4100	Unch
Khandwa-(M.P)	3100-3200	3100-3200	Unch
Khargaon-(M.P)	3700-4200	3700-4200	Unch
Sri-Ganganagar	3400	3440	-40
Patan	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	13-10-2012	12-10-2012	
Amravati -Vunni Mech-1#	600	800	-200
Kadi -Bt Cotton	2500	3000	-500
Ahmedabad - Shankar-6#	7000	8000	-1000
Gondal	850	947	-97
Rajkot-(B.T)	2210	2210	Unch
Abohar	700	600	+100
Muktsar	500	500	Unch
Fajlika # (Cotton New) # (Kapas BT Cotton)	-	-	-
	1200	1200	Unch
Khandwa (M.P)	-	-	-

Khargaon-(M.P)	6000	6000	Unch
Sri-Ganganagar	150	-	-
Patan	-	-	-

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

Cotton Association of India Spot Rates: 12/10/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (12/10/2012)	Rs. Per Candy (11/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37300	37300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37600	37600	Unch
J-34(202)	26mm	3.5 - 4.9	23	31000	31300	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32500	32500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33100	33300	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35200	35200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35500	35500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	46000	46500	-500

Cotlook Index: As on 12/10/2012

Cotlook Indices	Cents/Pound	Change
A-Index	79.85	-1.45

China Cotton Index: As on 12/10/2012

Index	RMB/Ton	Change
CCIndex(328)	18683	+3
CCIndex(527)	16384	+5
CCIndex(229)	19602	+2

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

USDA Cotton Spot Rates: As on 12/10/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.36	71.36	118
North Delta	67.11	68.61	NIL
South Delta	67.11	68.61	NIL
East TX-OK	64.50	69.25	240
West Texas	64.00	69.75	1750
Desert SW	65.86	72.36	NIL
SJ Valley	66.61	77.26	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 12/10/2012

Contract	Open	High	Low	Close	Change
Oct-12	71.08	71.42	70.71	71.36	+0.65
Dec-12	71.50	72.01	71.33	71.91	+0.51
Mar-13	72.85	72.91	72.29	72.85	+0.37
May-13	73.31	73.61	73.31	73.61	+0.35
Jul-13	74.74	74.74	74.74	74.74	+0.36
Oct-13	75.15	75.45	75.15	75.45	+0.43

Pakistan Cotton Spot rates: As on 11/10/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5575	155	5730
Equivalent	40 Kgs	5975	155	6130

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.