

**Cotton Domestic Fundamentals:**

- Cotton prices noticed steady to firm tone on Wednesday except slight weakness in few spot market.
- Good demand for new crop arrival lends support to the market.
- According to trade sources, there is some export inquiry around current level.
- Arrivals are increasing in different states. In North India arrivals were less following rains in certain parts.
- Ginning activity is slow and is likely to pick up by November.
- Expected festival demand added to the positive tone of the market.

**Cotton International Fundamentals**

- Xinjiang, Chinese province has sets world record for cotton production by harvesting 12,575 kg of seed cotton on a single hectare of land. This technique could enhance the production globally.
- 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.
- Cotton futures at NYMEX closed higher for another consecutive day amid consolidation.

**Outlook:** We expect domestic cotton prices to notice steady to firm tone amid good demand for new crop arrival.

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

Contract	+/-	Open	High	Low	Close
Feb-13	1	884	912	884	910
Apr-13	7.5	953	957.5	942	957.00

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	3	-8	49	0
Apr-13	7077	-570	11364	117

**Spread Feb-13 Apr-13**

Basis	-135	
Feb-13		47
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/20kg)**

Contract	+/-	Open	High	Low	Close
Feb-13	5.6	916	930.4	915	929.00
Apr-13	7.6	947.8	954	940	954

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	243	-129	554	-2
Apr-13	807	-88	434	-17

**Spread Feb-13 Apr-13**

Basis	-154	
Feb-13		25
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	0.87	16200	16280	15720	16270
30-Nov-12	1.13	16260	16260	16000	16130
31-Dec-12	0.95	15990	16050	15900	16020
31-Jan-13	0.88	16070	16140	16050	16100
28-Feb-13	0.81	16250	16590	15700	16240

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	17-10-2012	15-10-2012	
Amravati-Vunni Mech-1#	-	3850-3900	-
Kadi-Bt Cotton#	3800-4250	3800-4200	+50
Ahmedabad-Shankar-6#	3760-4250	3500-4250	Unch
Gondal1	2755-4315	2500-4400	-85
Rajkot-(B.T)	4000-4325	3990-4325	Unch
Abohar-J-34*	3420	3400	+20
Muktsar-J-34*	3420	3400	+20
Fajlika # (Cotton New) # (Kapas BT Cotton)	3450	3470	-20
	3900-4100	3600-4175	-75
Khandwa-(M.P)	4000-5100	Closed	-
Khargaon-(M.P)	3600-4200	Closed	-
Sri-Ganganagar	3380	3375	+5
Patan	-	-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	17-10-2012	15-10-2012	
Amravati -Vunni Mech-1#	-	700	-
Kadi -Bt Cotton	2000	4000	-2000
Ahmedabad - Shankar-6#	10000	8000	+2000
Gondal	788	775	+13
Rajkot-(B.T)	2000	2250	-250
Abohar	1000	500	+500
Muktsar	-	300	-
Fajlika # (Cotton New) # (Kapas BT Cotton)	-	-	-
	1200	1000	+200
Khandwa (M.P)	400	Closed	-
Khargaon-(M.P)	6000	Closed	-
Sri-Ganganagar	500	150	+350
Patan	-	-	-

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

**Cotton Association of India Spot Rates: 16/10/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (16/10/2012)	Rs. Per Candy (15/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39300	38300	+1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39600	38600	+1000
J-34(202)	26mm	3.5 - 4.9	23	31400	31300	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32400	32200	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	33100	32900	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34700	34500	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35200	35000	+200
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

**Cotlook Index: As on 16/10/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	81.25	+1.00

**China Cotton Index: As on 17/10/2012**

Index	RMB/Ton	Change
CCIndex(328)	18692	+1
CCIndex(527)	16392	Unch
CCIndex(229)	19609	+2

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

**USDA Cotton Spot Rates: As on 16/10/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.11	75.11	1853
North Delta	71.11	72.61	NIL
South Delta	71.11	72.61	NIL
East TX-OK	68.25	73	2347
West Texas	67.75	73.5	2686
Desert SW	69.36	75.86	NIL
SJ Valley	70.11	80.76	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 16/10/2012**

Contract	Open	High	Low	Close	Change
Dec-12	72.34	75.17	72	74.86	2.52
Mar-13	72.9	74.85	72.66	74.61	1.66
May-13	73.78	75.57	73.78	75.5	1.66
Jul-13	74.6	76.45	74.46	76.41	1.88
Oct-13	77.36	77.36	77.36	77.36	1.75
Dec-13	76.39	78	76.28	77.85	1.61

**Pakistan Cotton Spot rates: As on 16/10/2012 (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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