

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to firm tone on Wednesday.
- Andhra Pradesh market is expecting to procurement of cotton by CCI and NAFED to begin soon, this has raised prices for the crop which was being purchased below MSP levels. Also, after the announcement, cotton prices jumped above MSP.
- Cotton prices are rising as farmers are not willing to sell at lower levels and reports of exports to china, also poor quality cotton arrivals in market also boosted price sentiments.
- Exports target of cotton has dipped 46 percent to 7 million bales for this 2011-12, by CAB.
- Cotton prices are surging due to rise in buying from the millers which are riding on higher demand from the market due to festive season, in which demand from garments increase.

Cotton International Fundamentals

- China Cotton production by USDA is slightly up at 31.50 million bales from previous of 31 million bales.
- USDA has raised opening stock of India to 129 lakh bales for 2011-12.
- Egypt has agreed to export 566 tonnes of cotton in the week iending on October 18, 2012. Till latest information Egypt has exported 5437 tonne of cotton.

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	961	961	961	961.00
Apr-13	-16.5	1013	1018.5	996.5	997.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	-1	51	0
Apr-13	9967	-4363	12203	-109

Spread Feb-13 Apr-13

Basis	-551	
Feb-13		36.5
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	-13.7	988.5	989.5	968.9	971.3
Apr-13	-16	1011	1014.5	993	994.00

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	546	-282	576	-10
Apr-13	882	-588	363	-36

Spread Feb-13 Apr-13

Basis	-561.3	
Feb-13		22.7
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	-1.13	16810	16810	16550	16600
30-Nov-12	-1.38	16710	16720	16460	16480
31-Dec-12	-1.49	16740	16740	16470	16480
31-Jan-13	-1.25	16710	16790	16560	16590
28-Feb-13	-1.71	16820	16820	16690	16700

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	23-10-2012	22-10-2012	
Amravati-Vunni Mech-1#	4100	4100	Unch
Kadi-Bt Cotton#	4200-4500	4200-4500	Unch
Ahmedabad-Shankar-6#	4250-4500	4250-4500	Unch
Gondal1	2760-4605	3750-4555	+50
Rajkot-(B.T)	4220-4600	4245-4575	+25
Abohar-J-34*	3540	3525	+15
Muktsar-J-34*	3540	3525	+15
Fajlika #(Cotton New) #(Kapas BT Cotton)	3480	3500	-20
	4250	4000-4380	-130
Khandwa-(M.P)	Closed	Closed	-
Khargaon-(M.P)	Closed	Closed	-
Sri-Ganganagar	3435	3440	-5
Patan	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	23-10-2012	22-10-2012	
Amravati -Vunni Mech-1#	1500	1200	+300
Kadi -Bt Cotton	5000	5000	Unch
Ahmedabad - Shankar-6#	15000	15000	Unch
Gondal	841	1070	-229
Rajkot-(B.T)	1700	2150	-450
Abohar	1200	1100	+100
Muktsar	350	400	-50
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2200	1800	+400
Khandwa (M.P)	Closed	Closed	-
Khargaon-(M.P)	Closed	Closed	-
Sri-Ganganagar	1000	3000	-2000
Patan	-	-	-

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

Cotton Association of India Spot Rates: 22/10/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (22/10/2012)	Rs. Per Candy (20/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41600	41400	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41900	41700	+200
J-34(202)	26mm	3.5 - 4.9	23	31800	31700	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33500	32800	+700
Shankar-6(105)	29mm	3.5 - 4.9	28	34200	33600	+600
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35200	34900	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	35500	+500
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

Cotlook Index: As on 22/10/2012

Cotlook Indices	Cents/Pound	Change
A-Index	84.75	-0.55

China Cotton Index: As on 23/10/2012

Index	RMB/Ton	Change
CCIndex(328)	18700	+4
CCIndex(527)	16411	+6
CCIndex(229)	19618	+4

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

USDA Cotton Spot Rates: As on 22/10/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	74.18	77.18	661
North Delta	73.18	74.68	NIL
South Delta	73.18	74.68	NIL
East TX-OK	70	74.75	678
West Texas	69.5	75.25	2635
Desert SW	71.43	77.93	NIL
SJ Valley	72.18	82.83	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 22/10/2012

Contract	Open	High	Low	Close	Change
Dec-12	76.8	77.63	76.45	76.93	0.05
Mar-13	74.74	75.69	74.54	75.38	-0.05
May-13	76.24	76.66	75.97	76.47	0.13
Jul-13	77.22	77.65	76.93	77.62	0.2
Oct-13	78.33	78.33	78.33	78.33	0.13
Dec-13	78.72	79.09	78.4	79.06	0.1

Pakistan Cotton Spot rates: As on 22/10/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5650	155	5805
Equivalent	40 Kgs	6055	155	6210

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