

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Saturday except slight firmness in Kadi and Fajlika markets.
- Tamil Nadu miller's consortium is planning to buy cotton of Rs. 30 billion for this cotton season.
- Lack of good quality arrivals weighed on prices.
- In certain markets of Maharashtra, demand was witnessed for cottonseed.
- Lack of selling activities will lend some support to the market.
- Millers are buying in limited quantity and there were no fresh export orders.
- Yarn production is expected to grow by 6.8 percent from 5.9 percent earlier estimated, according to CMIE. This is mainly due to value added exports to China, which has reduced cotton import but has raised yarn imports.
- 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 International Fundamentals

- Global cotton output has been raised by 2.8 million bales and consumption lowered by 680,000 bales. All major producing countries China, Pakistan, India and USA have raised their estimated.
- Cotton futures at NYMEX closed mostly lower amid record stocks and lower demand in the market.
- USA has exported 34,500 bales for 2013-12, mainly to China.
- China cotton reserve is now over a million tones; also international prices are going up.

Outlook: We expect domestic cotton prices to continue steady to weak tone amid lack of buying around current levels.

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

Contract	+/-	Open	High	Low	Close
Feb-13	12.5	942	942	936	936
Apr-13	-1.5	991.5	1000	981	993.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	11	8	47	-1
Apr-13	9052	4396	12575	109

Spread

	Feb-13	Apr-13
Basis	-46	
Feb-13		57.5
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	-1.9	963	975	958	966.5
Apr-13	-1.3	987.8	998	979.3	990.4

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	409	208	600	20
Apr-13	597	252	385	12

Spread

	Feb-13	Apr-13
Basis	-76.5	
Feb-13		23.9
April-13		

B: 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	-0.48	16340	16490	16300	16330
30-Nov-12	0.18	16160	16320	16110	16280
31-Dec-12	0.18	16200	16330	16140	16280
31-Jan-13	-0.36	16300	16430	16280	16330
28-Feb-13	NIL	16580	16580	16490	16530

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-10-2012	27-10-2012	
Amravati-Vunni Mech-1#	4100	4150	-50
Kadi-Bt Cotton#	4450	4450	Unch
Ahmedabad-Shankar-6#	4400	4450	-500
Gondal1	-	4650	-
Rajkot-(B.T)	-	4505	-
Abohar-J-34*	3430	3450	-20
Muktsar-J-34*	3440	3450	-10
Fajlika #(Cotton New) #(Kapas BT Cotton)	3405	3430	-25
	4100	4130	-30
Khandwa-(M.P)	-	Closed	-
Khargaon-(M.P)	-	Closed	-
Sri-Ganganagar	-	3380	-
Patan	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-10-2012	27-10-2012	
Amravati -Vunni Mech-1#	1000	1500	-500
Kadi -Bt Cotton	12500	7000	+5500
Ahmedabad - Shankar-6#	12000	12000	Unch
Gondal	-	1180	-
Rajkot-(B.T)	-	2400	-
Abohar	1000	1200	-200
Muktsar	500	500	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1800	1200	+600



Khandwa (M.P)	-	Closed	-
Khargaon-(M.P)	-	Closed	-
Sri-Ganganagar	-	5000	-
Patan	-	-	-

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

Cotton Association of India Spot Rates: 27/10/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (27/10/2012)	Rs. Per Candy (26/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41900	42400	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42300	42700	-400
J-34(202)	26mm	3.5 - 4.9	23	31200	31600	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32900	33100	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	33500	33700	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34400	34700	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	35300	-300
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

Cotlook Index: As on 26/10/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.95	+0.20

China Cotton Index: As on 29/10/2012

Index	RMB/Ton	Change
CCIndex(328)	18705	+1
CCIndex(527)	16425	+3
CCIndex(229)	19622	+2

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

USDA Cotton Spot Rates: As on 26/10/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.67	72.67	NIL
North Delta	68.67	70.17	NIL
South Delta	68.67	70.17	NIL
East TX-OK	66.5	71.25	1705
West Texas	66	71.75	3582
Desert SW	66.92	73.42	NIL
SJ Valley	67.67	78.32	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 26/10/2012

Contract	Open	High	Low	Close	Change
Dec-12	72.95	73.19	72.21	72.42	-0.31
Mar-13	72.95	73.3	72.51	72.89	-0.08
May-13	74.11	74.33	73.63	74.07	-0.09
Jul-13	75.25	75.31	74.65	75.16	-0.15
Oct-13	76.61	76.61	76.61	76.61	0.16
Dec-13	77.08	77.3	76.83	77.3	-0.01

Pakistan Cotton Spot rates: As on 25/10/2012 (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

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.