

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to strong tone on Tuesday.
- Cotton arrivals have fallen by 33 percent this cotton year starting from October. It is down from 1.3 million bales to 869,000 bales.
- India yarn export to China increased fourfold in first 9 months starting this year. China is likely to continue importing yarn, to save labor cost. Exports are pegged at 7 million bales for this year. Till September this year, India exported 461.52 million kg.
- 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.

Cotton International Fundamentals

- Cotton in western region in USA is affected by the hurricane Sandy on which the exchanges showed upward movement in prices.
- 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.

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	940	952	940	952
Apr-13	10.5	994	1007	991	1005.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	4	3	46	-5
Apr-13	8834	-1133	12923	720

Spread Feb-13 Apr-13

Basis	-58.5	
Feb-13		46.5
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	10.2	967.5	980	966.3	978.3
Apr-13	11	990	1004	988.5	1002.5

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	391	-155	602	26
Apr-13	765	-117	387	24

Spread Feb-13 Apr-13

Basis	-78.5	
Feb-13		23.2
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	0.37	16500	16520	16420	16470
30-Nov-12	1.23	16270	16480	16250	16460
31-Dec-12	1.35	16260	16470	16250	16460
31-Jan-13	1.16	16380	16510	16260	16510
28-Feb-13	0.55	16500	16560	16450	16520

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-10-2012	29-10-2012	
Amravati-Vunni Mech-1#	4100	4100	Unch
Kadi-Bt Cotton#	4500	4450	+50
Ahmedabad-Shankar-6#	4500	4400	+100
Gondal1	4500	-	-
Rajkot-(B.T)	4525	-	-
Abohar-J-34*	3460	3430	+30
Muktsar-J-34*	3460	3440	+20
Fajlika #(Cotton New) #(Kapas BT Cotton)	3460	3405	+55
	4160	4100	+60
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3380	-	-
Patan	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-10-2012	29-10-2012	
Amravati -Vunni Mech-1#	1500	1000	+500
Kadi -Bt Cotton	12500	12500	Unch
Ahmedabad - Shankar-6#	12000	12000	Unch
Gondal	2000	-	-
Rajkot-(B.T)	4200	-	-
Abohar	1500	1000	+500
Muktsar	500	500	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2000	1800	+200
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
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: 29/10/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (29/10/2012)	Rs. Per Candy (27/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40700	41900	-1200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41100	42300	-1200
J-34(202)	26mm	3.5 - 4.9	23	31200	31200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32900	32900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33500	33500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34400	-400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34500	35000	-500
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

Cotlook Index: As on 29/10/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.80	-0.15

China Cotton Index: As on 30/10/2012

Index	RMB/Ton	Change
CCIndex(328)	18708	+3
CCIndex(527)	16432	+7
CCIndex(229)	19625	+3

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

USDA Cotton Spot Rates: As on 29/10/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.86	72.86	473
North Delta	68.86	70.36	NIL
South Delta	68.86	70.36	NIL
East TX-OK	66.75	71.5	116
West Texas	66.25	72	3513
Desert SW	67.11	73.61	NIL
SJ Valley	67.86	78.51	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 29/10/2012

Contract	Open	High	Low	Close	Change
Dec-12	72.4	72.93	72.24	72.61	0.19
Mar-13	72.61	73.34	72.61	73.19	0.3
May-13	74.13	74.45	73.84	74.37	0.3
Jul-13	75.1	75.58	74.9	75.52	0.36
Oct-13	77.07	77.07	77.07	77.07	0.46
Dec-13	77.5	77.9	77.1	77.86	0.56

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

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