

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Monday.
- Increase in arrivals in various mandis is weighing on prices.
- Recent rains in parts of Andhra Pradesh might damage the crop.
- Arrivals are expected to increase in the coming days and pick up by mid –November.
- According to a press statement, the Government of India has revised MSP prices for medium staple cotton from Rs. 2800/ qtl to Rs. 3600/ qtl and for long staple cotton from Rs. 3300/ qtl to Rs. 3900/ qtl for cotton season 2012-13.
- Lack of demand in the export market is adding to the weak tone of the market.
- Cotton exports would stands at 7 million bales, compare with 12 million bales last year, as china which accounts 65% of India's cotton exports, was cutting its imports by half.
- According to trade sources in Gujarat, supply is likely to increase after Diwali and will weigh on prices.
- Farmers are likely to bring less crop to the mandis during the festival season, thereby supporting prices in the medium –term.

Cotton International Fundamentals

- Uzbekistan has record cotton production for this year cotton season.
- Cotton futures at NYMEX closed lower following profit –booking around current levels. Estimated higher stocks added to the weak tone of the market.
- Cotton prices are steady to firm in Pakistan amid lack of selling around current levels.
- Global cotton output has been raised by 2.8 million bales and consumption lowered by 680,000 bales. A

Outlook: We expect domestic cotton prices to witness sideways to weak tone on increasing arrivals.

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

Contract	+/-	Open	High	Low	Close
Feb-13	4	919.5	944	919.5	927
Apr-13	6	956	972	951	966

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	10	8	48	4
Apr-13	7453	-1016	12847	154

Spread	Feb-13	Apr-13
Basis	-67	
Feb-13		39
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	5	925.1	944.1	925	940.3
Apr-13	5.4	952	970	951	965

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	1021	574	618	-37
Apr-13	937	394	594	44

Spread	Feb-13	Apr-13
Basis	-80.3	
Feb-13		24.7
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	0.31	15930	16120	15920	16050
30-Nov-12	0.31	15930	16120	15920	16060
31-Dec-12	0.56	16020	16200	16020	16160
31-Jan-13	0.25	16150	16400	16130	16260
28-Feb-13	-0.06	16300	16430	16230	16390

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	05-11-2012	03-11-2012	
Amravati-Vunni Mech-1#	4100	4050	+50
Kadi-Bt Cotton#	4450	4400	+50
Ahmedabad-Shankar-6#	4300	4400	-100
Gondal	4250	4500	-250
Rajkot-(B.T)	4400	4525	-125
Abohar-J-34*	3420	3425	-5
Muktsar-J-34*	3420	3425	-5
Fajlika #(Cotton New) #(Kapas BT Cotton)	3410	3400	+10
	4150	4150	+50
Khandwa-(M.P)	4250	-	-
Khargaon-(M.P)	4250	-	-
Sri-Ganganagar	3340	3380	-40
Patan		-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	05-11-2012	03-11-2012	
Amravati -Vunni Mech-1#	1500	800	+700
Kadi -Bt Cotton	20000	20000	Unch
Ahmedabad - Shankar-6#	15000	15000	Unch
Gondal	2404	910	+1494
Rajkot-(B.T)	3000	2400	+600
Abohar	1300	1200	+100
Muktsar	500	500	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1800	1500	+300
Khandwa (M.P)	2000	-	-

Khargaon-(M.P)	5000	-	-
Sri-Ganganagar	700	5000	+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: 02/11/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (02/11/2012)	Rs. Per Candy (01/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40700	40700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41200	41200	Unch
J-34(202)	26mm	3.5 - 4.9	23	31100	31300	-200
H-4/ ME CH-1(105)	28mm	3.5 - 4.9	27	33100	33100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33800	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34200	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34700	34700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

Cotlook Index: As on 02/11/2012

Cotlook Indices	Cents/Pound	Change
A-Index	80.30	Unch

China Cotton Index: As on 05/11/2012

Index	RMB/Ton	Change
CCIndex(328)	18726	+5
CCIndex(527)	16452	+4
CCIndex(229)	19640	+3

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

USDA Cotton Spot Rates: As on 02/11/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.85	70.85	NIL
North Delta	66.6	68.1	239
South Delta	66.6	68.1	NIL
East TX-OK	65.25	70	60
West Texas	65.25	71	5576
Desert SW	64.85	71.35	NIL
SJ Valley	65.6	76.25	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 02/11/2012

Contract	Open	High	Low	Close	Change
Dec-12	70.28	70.54	69.66	70.35	0.14
Mar-13	71.51	71.78	70.78	71.44	-0.06
May-13	72.92	72.92	72.05	72.7	-0.04
Jul-13	74.07	74.07	73.23	73.79	-0.09
Oct-13	75.37	75.37	75.37	75.37	-0.09
Dec-13	76.22	76.22	75.45	75.97	-0.15

Pakistan Cotton Spot rates: As on 03/11/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5750	155	5905
Equivalent	40 Kgs	6162	155	6317

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