

**Cotton Domestic Fundamentals:**

- Cotton prices continued mixed tone on Thursday.
- Lack –luster demand around current levels weighed on prices.
- Arrivals are lower in certain mandis ahead of festival.
- Buying from the mills is likely to increase by mid –November.
- Export demand is less amid availability of cheaper cotton in the global market.
- In Marathwada region of Maharashtra, low to medium intensity sucking pests is noticed in cotton crop.
- According to trade sources, recent rains in Andhra Pradesh have affected the crop. The extent of crop damage is not yet clear.
- Lower crop estimates will support the market in the medium –term.
- Maharashtra Government is likely to open procurement centers from November 11.
- The Government has formed a contingency plan to procure 90 lakh bales for the 2012-13 season. The Government expects to open 288 procurement centres in nine cotton growing States.
- According to CMIE, total yarn production is expected to increase by 6.8 percent in the current season following increase in cotton yarn production.
- 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.

**Cotton International Fundamentals**

- According to the data from Chinese customs, China totally imported 1.08 million tonnes of cotton yarn in the first 9 months of 2012, up a massive 74.17 percent or 462,800 tons over the same period last year.
- Yarns imports from China is increasing following higher price of cotton in the domestic market.
- Cotton futures at NYMEX continued weak tone amid lack of demand and higher supply in the current season.
- Textile millers in Pakistan are looking for cheaper cotton imports amid higher prices in the domestic market.
- According to association officials, cotton output in Ivory coast is expected to increase by 47% to 500,000 metric tonnes in 2015.

**Outlook:** We expect domestic cotton prices to notice sideways to firm tone in the near –term amid lack of selling activities in the market.

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

Contract	+/-	Open	High	Low	Close
Feb-13					
Apr-13	9	969	979.5	963.5	978.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	8	943.9	951.2	937.4	951.2
Apr-13	8.6	968	977	961.1	976.2

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13				
Apr-13	6653	302	13192	30

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	274	-135	618	32
Apr-13	676	-45	537	-5

**Spread Feb-13 Apr-13**

Basis	-57.5
Feb-13	
April-13	

**NB:** Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

**Spread Feb-13 Apr-13**

Basis	-83.7
Feb-13	25
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
<b>31-Oct-12</b>	<b>0.93</b>	16050	16240	16050	16220
<b>30-Nov-12</b>	<b>0.87</b>	16040	16220	16040	16220
<b>31-Dec-12</b>	<b>0.8</b>	16210	16320	16170	16300
<b>31-Jan-13</b>	<b>0.43</b>	16320	16400	16270	16380
<b>28-Feb-13</b>	<b>0.43</b>	16430	16490	16390	16480

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	08-11-2012	07-11-2012	
Amravati-Vunni Mech-1#	-	4150	-
Kadi-Bt Cotton#	4200-4400	4450	<b>-50</b>
Ahmedabad-Shankar-6#	4250-4425	4450	<b>-25</b>
Gondal1	3750-4515	3975	<b>+540</b>
Rajkot-(B.T)	4100-4475	4470	<b>+5</b>
Abohar-J-34*	3490	3470	<b>+20</b>
Muktsar-J-34*	3490	3470	<b>+20</b>
Fajlika      #(Cotton New) #(Kapas BT Cotton)	3400	3465	<b>-65</b>
	4290	4250	<b>+40</b>
Khandwa-(M.P)	4190-4250	4250	<b>Unch</b>
Khargaon-(M.P)	4150-4250	4250	<b>Unch</b>
Sri-Ganganagar	3380-3390	3380	<b>+10</b>
Patan	-	-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	08-11-2012	07-11-2012	
Amravati -Vunni Mech-1#	-	1200	-
Kadi -Bt Cotton	25000	25000	<b>Unch</b>
Ahmedabad - Shankar-6#	22000	15000	<b>+7000</b>
Gondal	1023	1500	<b>-477</b>
Rajkot-(B.T)	2400	2600	<b>-200</b>
Abohar	1000	1000	<b>Unch</b>
Muktsar	450	450	<b>Unch</b>
Fajlika      #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1800	1200	<b>+600</b>
Khandwa (M.P)	1200	1500	<b>-300</b>



Khargaon-(M.P)	6000	6000	Unch
Sri-Ganganagar	7000	6000	+1000
Patan	-	-	-

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

### Cotton Association of India Spot Rates: 07/11/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (07/11/2012)	Rs. Per Candy (06/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40200	40200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40700	40700	Unch
J-34(202)	26mm	3.5 - 4.9	23	31200	31000	+200
H-4/ ME CH-1(105)	28mm	3.5 - 4.9	27	33200	32400	+800
Shankar-6(105)	29mm	3.5 - 4.9	28	33500	33500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34500	34200	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35300	34900	+400
DCH-32(107)	34mm	3.0 - 3.8	33	44700	45700	-1000

### Cotlook Index: As on 07/11/2012

Cotlook Indices	Cents/Pound	Change
A-Index	80.05	-0.40

### China Cotton Index: As on 08/11/2012

Index	RMB/Ton	Change
CCIndex(328)	18749	+7
CCIndex(527)	16475	+8
CCIndex(229)	19657	+5

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

### USDA Cotton Spot Rates: As on 07/11/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.58	70.58	162
North Delta	66.33	67.83	366
South Delta	66.33	67.83	NIL
East TX-OK	65	69.5	841
West Texas	65	70.75	6459
Desert SW	64.33	70.83	NIL
SJ Valley	65.08	75.73	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 07/11/2012**

Contract	Open	High	Low	Close	Change
Dec-12	70.08	70.54	69.8	69.83	-0.27
Mar-13	71.27	71.74	70.91	71.07	-0.17
May-13	72.59	72.83	72.04	72.22	-0.16
Jul-13	73.45	73.69	73	73.12	-0.13
Oct-13	74.89	74.89	74.89	74.89	-0.03
Dec-13	76	76	75.38	75.57	-0.07

**Pakistan Cotton Spot rates: As on 07/11/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5850	155	6005
Equivalent	40 Kgs	6269	155	6424

**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.