

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Saturday.
- Demand is normal in the market around current levels.
- Good demand is expected from the millers by mid –November.
- Farmers are bringing less produce to the market ahead of ‘Diwali’.
- Arrivals are expected to increase in the medium –term, thereby weighing on prices.
- Crop loss in Andhra Pradesh has been reported following rains during the last few days..
- According to official estimates, cotton crop has been damaged in 75,000 acres of land in Guntur district of Andhra Pradesh. This will affect the ginning industry.
- Increase in global supplies will weigh on prices in the medium –term.
- According to trade sources, around 40% of the crop is damaged in Sirsa district of Haryana and average yield is expected to be around 5 -6 quintals /acre.
- 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.
- Cotton futures at NYMEX closed lower following bearish monthly supply and demand USDA report.
- According to USDA, cotton ending stocks estimates for 2012 -13 season touched an all time high of 80.27 million bales.
- Cotton farmers and ginneries in Zimbabwe are making a pricing model that will determine the price of the producers in 2012 -13.
- 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 lower arrivals during festival.

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

Contract	+/-	Open	High	Low	Close
Feb-13					
Apr-13	-3.5	967	968.5	961	966

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13				
Apr-13	2710	-2109	13203	-131

Spread Feb-13 Apr-13

Basis	-
Feb-13	-
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	-3.3	940.1	942.7	936.6	940.7
Apr-13	-3.3	964.8	967	960.2	964.6

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	173	-18	587	-3
Apr-13	304	-89	560	23

Spread Feb-13 Apr-13

Basis	-70.7
Feb-13	23.9
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	-0.12	16080	16100	16010	16090
30-Nov-12	-0.12	16080	16130	16060	16120
31-Dec-12	NIL	16130	16180	16100	16180
31-Jan-13	0.12	16220	16260	16170	16260
28-Feb-13	-0.31	16300	16320	16300	16320

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	10-11-2012	09-11-2012	
Amravati-Vunni Mech-1#	4150	4150	-
Kadi-Bt Cotton#	4200-4450	4200-4450	Unch
Ahmedabad-Shankar-6#	4250-4400	4250-4450	-50
Gondal1	3255-4505	2500-4505	Unch
Rajkot-(B.T)	4250-4570	4200-4500	+70
Abohar-J-34*	3478	3500	-22
Muktsar-J-34*	3585	3500	+85
Fajlika #(Cotton New) #(Kapas BT Cotton)	3460	3500	-40
	4265	4325	-60
Khandwa-(M.P)	4175-4275	4175-4275	Unch
Khargaon-(M.P)	4150-4250	4150-4250	Unch
Sri-Ganganagar	-	3410	-
Patan	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	10-11-2012	09-11-2012	
Amravati -Vunni Mech-1#	2000	1500	+500
Kadi -Bt Cotton	35000	15000	+20000
Ahmedabad - Shankar-6#	20000	20000	-2000
Gondal	645	709	-64
Rajkot-(B.T)	1500	2000	-500
Abohar	1000	1000	Unch
Muktsar	350	450	-100
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1500	1800	-300
Khandwa (M.P)	2000	2000	Unch
Khargaon-(M.P)	5000	5000	Unch



Sri-Ganganagar	-	7000	-
Patan	-	-	-

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

Cotton Association of India Spot Rates: 09/11/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (09/11/2012)	Rs. Per Candy (08/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39900	40200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40700	-300
J-34(202)	26mm	3.5 - 4.9	23	31700	31500	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	33000	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	33500	33500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	35000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35800	35800	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	44700	44700	Unch

Cotlook Index: As on 09/11/2012

Cotlook Indices	Cents/Pound	Change
A-Index	79.40	-0.65

China Cotton Index: As on 09/11/2012

Index	RMB/Ton	Change
CCIndex(328)	18754	+5
CCIndex(527)	16480	+5
CCIndex(229)	19659	+2

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

USDA Cotton Spot Rates: As on 09/11/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.33	70.33	790
North Delta	66.08	67.58	NIL
South Delta	66.08	67.58	NIL
East TX-OK	64.75	69.25	1121
West Texas	64.75	70.50	7538
Desert SW	64.08	70.58	NIL
SJ Valley	64.83	75.48	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 09/11/2012

Contract	Open	High	Low	Close	Change
Dec-12	70	70.25	69.03	69.26	-0.57
Mar-13	71.25	71.45	70.02	70.34	-0.73
May-13	72.29	72.62	71.22	71.58	-0.64
Jul-13	73.3	73.55	72.15	72.52	-0.6
Oct-13	74.14	74.14	74.14	74.14	-0.75
Dec-13	75.8	75.8	74.35	74.56	-1.01

Pakistan Cotton Spot rates: As on 08/11/2012 (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

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