

**Cotton Domestic Fundamentals:**

- Cotton prices noticed weak tone on Monday due to festival season.
- Prices are expected to be lower at current levels, through this week.
- 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.

**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.

**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	7	920.5	940	920.5	940.00
Apr-13	10	963	978	960	976.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	7.5	938.9	951.5	936	948.2
Apr-13	8	962.2	977	959.2	972.60

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	2	2	41	41
Apr-13	4832	2122	13164	-39

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	217	44	606	19
Apr-13	398	94	533	-27

**Spread Feb-13 Apr-13**

Basis	-120	
Feb-13		36
April-13		

**NB:** Spread was done by taking avg spot prices at

**Spread Feb-13 Apr-13**

Basis	-128.2	
Feb-13		24.4
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
	12-11-2012	10-11-2012	
Amravati-Vunni Mech-1#	4100	4150	-50
Kadi-Bt Cotton#	4250-4500	4200-4450	Unch
Ahmedabad-Shankar-6#	4250-4400	4250-4400	Unch
Gondal1	-	3255-4505	-
Rajkot-(B.T)	-	4250-4570	-
Abohar-J-34*	3470	3478	-8
Muktsar-J-34*	3470	3585	-115
Fajlika      #(Cotton New) #(Kapas BT Cotton)	3450	3460	-10
	4100-4265	4265	Unch
Khandwa-(M.P)	-	4175-4275	-
Khargaon-(M.P)	-	4150-4250	-
Sri-Ganganagar	-	-	-
Patan	-	-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	12-11-2012	10-11-2012	
Amravati –Vunni Mech-1#	1000	2000	-1000
Kadi –Bt Cotton	12500	35000	-22500
Ahmedabad – Shankar-6#	10000	20000	-10000
Gondal	-	645	-
Rajkot-(B.T)	-	1500	-
Abohar	800	1000	-200
Muktsar	50	350	-300
Fajlika      #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1000	1500	-500
Khandwa (M.P)	-	2000	-
Khargaon-(M.P)	-	5000	-
Sri-Ganganagar	-	-	-
Patan	-	-	-

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

**Cotton Association of India Spot Rates: 10/11/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (10/11/2012)	Rs. Per Candy (09/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40200	39900	+300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40700	40400	+300
J-34(202)	26mm	3.5 - 4.9	23	31600	31700	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	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 12/11/2012**

Index	RMB/Ton	Change
CCIndex(328)	18760	+6
CCIndex(527)	16480	0
CCIndex(229)	19662	+3

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	69.47	70.02	69.11	69.58	+0.32
Mar-13	70.39	70.73	69.79	70.44	+0.10
May-13	71.59	71.99	71.09	71.72	+0.14
Jul-13	72.59	73.08	72.23	72.81	+0.29
Oct-13	74.52	74.52	74.52	74.52	+0.38
Dec-13	74.48	75.28	74.41	74.84	+0.28

**Pakistan Cotton Spot rates: As on 10/11/2012 (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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