

**Cotton Domestic Fundamentals:**

- No major activity in Cotton market remained due to festive holidays except in Fajlika.
- Cotton Association of India decreased production estimates of cotton by 5% this year to 354 lakh bales.
- The MSP of medium staple cotton was hiked to Rs 3,600 a quintal from Rs 2,800 and that of long staple cotton was raised up to Rs 3,900 a quintal from Rs 3,300.
- 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.

**Cotton International Fundamentals**

- Cotton seed demand in Pakistan is picking up. This is likely to raise prices for same.
- 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.

**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	0	0	0	0	0
Apr-13	2.5	979	985.5	975	977.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	7	954.9	962.1	952	955.4
Apr-13	0.2	976.8	985	976.8	978.8

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	0	0	43	43
Apr-13	4684	4684	13316	13316

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	760	760	663	663
Apr-13	482	482	518	518

**Spread Feb-13 Apr-13**

Basis	-120	
Feb-13		47
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	-145.4	
Feb-13		23.4
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
30-Nov-12	0.06	16250	16320	16200	16220
31-Dec-12	0.18	16260	16330	16230	16250
31-Jan-13	0.06	16380	16400	16310	16310
28-Feb-13	0.43	16460	16460	16390	16410
29-Mar-13	0.49	16510	16580	16470	16530

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	15-11-2012	14-11-2012	
Amravati-Vunni Mech-1#	4050-4100	4100	Unch
Kadi-Bt Cotton#	4225-4450	-	-
Ahmedabad-Shankar-6#	-	-	-
Gondal1	-	-	-
Rajkot-(B.T)	-	-	-
Abohar-J-34*	3500	3500	Unch
Muktsar-J-34*	3500	3500	-
	4200-4375	4280-4335	
Fajlika    #(Cotton New) #(Kapas BT Cotton)	3500	3450	+50
	4400	4275	+125
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3420	-	-
Patan	-	-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	15-11-2012	14-11-2012	
Amravati -Vunni Mech-1#	1500	1000	+500
Kadi -Bt Cotton	5000	-	-
Ahmedabad - Shankar-6#	-	-	-
Gondal	-	-	-
Rajkot-(B.T)	-	-	-
Abohar	300	-	-
Muktsar	200	25	-
	200		
Fajlika    #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2000	1000	+1000
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	5000	-	-

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

**Cotton Association of India Spot Rates: 12/11/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (12/11/2012)	Rs. Per Candy (10/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40000	40200	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40500	40700	-200
J-34(202)	26mm	3.5 - 4.9	23	31500	31600	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32700	32800	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	33500	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35100	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 14/11/2012**

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

**China Cotton Index: As on 15/11/2012**

Index	RMB/Ton	Change
CCIndex(328)	18784	+9
CCIndex(527)	16503	+8
CCIndex(229)	19685	+8

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

**USDA Cotton Spot Rates: As on 14/11/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.63	72.88	427
North Delta	68.63	70.13	NIL
South Delta	68.63	70.13	NIL
East TX-OK	66.75	71.25	19
West Texas	66.75	72.25	7008
Desert SW	66.13	72.63	NIL
SJ Valley	66.88	77.53	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 14/11/2012**

Contract	Open	High	Low	Close	Change
Dec-12	70.70	71.85	70.57	71.63	+0.82
Mar-13	70.57	71.67	70.57	71.26	+0.65
May-13	72.05	72.68	71.91	72.40	+0.75
Jul-13	73.21	73.57	73.10	73.50	+0.67
Oct-13	75.32	75.32	75.32	75.32	+0.67
Dec-13	75.53	75.92	75.32	75.90	+0.62

**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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