

**Cotton Domestic Fundamentals:**

- Cotton markets were steady to strong in key spot markets on Friday.
- Cotton arrivals began across country in bulk after festive holidays.
- Agriwatch estimates Cotton production at 320 lakh bales for this season.
- 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**

- Australian cotton production rose by 12 percent to 944,000 tonnes as reported by Australian Bureau of Statistics.
- 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.

**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	-9.5	980.5	983	964	968.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	-7	957	959	946.5	948.5
Apr-13	-7.7	982	983.4	966	971

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	0	0	43	0
Apr-13	5985	1301	13543	227

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	329	-431	683	20
Apr-13	452	-30	532	14

**Spread Feb-13 Apr-13**

Basis	-120	
Feb-13		38
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	-138.5	
Feb-13		22.5
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	0.12	16280	16300	16180	16240
31-Dec-12	0.31	16270	16350	16200	16300
31-Jan-13	-0.18	16400	16400	16260	16300
28-Feb-13	-0.73	16420	16430	16310	16310
29-Mar-13	-0.3	16540	16550	16500	16500

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	16-11-2012	15-11-2012	
Amravati-Vunni Mech-1#	-	4050-4100	-
Kadi-Bt Cotton#	4250-4450	4225-4450	Unch
Ahmedabad-Shankar-6#	4300-4450	-	-
Gondal1	-	-	-
Rajkot-(B.T)	-	-	-
Abohar-J-34*	3525	3500	+25
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	3530	3500	+30
	4200-4375	4200-4375	Unch
Fajlika *(Cotton New) #(Kapas BT Cotton)	3500	3500	+50
	4375	4400	-25
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3440	3420	+20
Patan	-	-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	16-11-2012	15-11-2012	
Amravati -Vunni Mech-1#	-	1500	-
Kadi -Bt Cotton	10000	5000	+5000
Ahmedabad - Shankar-6#	10000	-	-
Gondal	-	-	-
Rajkot-(B.T)	-	-	-
Abohar-J-34*	500	300	+200
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	450	200	+250
	200	200	Unch
Fajlika *(Cotton New) #(Kapas BT Cotton)	-	-	-
	1500	2000	-500
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-

Sri-Ganganagar	5000	5000	Unch
Patan	-	-	-

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 16/11/2012**

Index	RMB/Ton	Change
CCIndex(328)	18788	+4
CCIndex(527)	16508	+5
CCIndex(229)	19691	+6

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

**USDA Cotton Spot Rates: As on 15/11/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.71	74.96	2828
North Delta	70.96	72.46	1372
South Delta	70.96	72.46	NIL
East TX-OK	67.75	72.25	443
West Texas	67.75	73.25	33,875
Desert SW	68.46	74.96	NIL
SJ Valley	69.21	79.86	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 15/11/2012**

Contract	Open	High	Low	Close	Change
Dec-12	71.51	74.63	71.51	73.96	+2.33
Mar-13	71.55	72.49	71.32	72.24	+0.98
May-13	72.80	73.30	72.44	73.12	+0.72
Jul-13	73.95	74.35	73.25	74.10	+0.60
Oct-13	75.92	75.92	75.92	75.92	+0.60
Dec-13	76.20	76.80	76.00	76.53	+0.63

**Pakistan Cotton Spot rates: As on 15/11/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	5900	155	6055
<b>Equivalent</b>	40 Kgs	6323	155	6478

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