

Cotton Domestic Fundamentals:

- Cotton markets traded weak in key spot markets on Saturday.
- Cotton arrivals began across country in bulk after festive holidays.
- Total arrivals in North region are reported in 15,000 bales.
- 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

- Net Sales of USA cotton is running in 370,000 bales for 2012-13, Mainly to China and India.
- 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.

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	-1.5	928.5	928.5	928.5	928.5
Apr-13	3.5	968	974.5	965	970

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

Contract	+/-	Open	High	Low	Close
Feb-13	3.8	955	955	948.6	952.7
Apr-13	3.2	973	980	968.7	971.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	1	42	-1
Apr-13	2452	-3533	13525	-18

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	0	-239	684	1
Apr-13	155	-297	539	7

Spread Feb-13 Apr-13

Basis	-120	
Feb-13		40
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	-142.7	
Feb-13		19.2
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
	17-11-2012	16-11-2012	
Amravati-Vunni Mech-1#	4050	-	-
Kadi-Bt Cotton#	4250-4400	4250-4450	-50
Ahmedabad-Shankar-6#	4260-4400	4300-4450	-50
Gondal1	-	-	-
Rajkot-(B.T)	-	-	-
Abohar-J-34*	3505	3525	-20
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3510	3530	-20
	4280	4200-4375	-95
Fajlika *(Cotton New) #(Kapas BT Cotton)	3500	3500	Unch
	4325	4375	-50
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3410	3440	-30

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	17-11-2012	16-11-2012	
Amravati -Vunni Mech-1#	1000	-	-
Kadi -Bt Cotton	12500	10000	+2500
Ahmedabad - Shankar-6#	12000	10000	+2000
Gondal	-	-	-
Rajkot-(B.T)	-	-	-
Abohar-J-34*	600	500	+100
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	500	450	+50
	500	200	+300
Fajlika *(Cotton New) #(Kapas BT Cotton)	-	-	-
	1800	1500	+300
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	5000	5000	Unch

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

Cotton Association of India Spot Rates: 16/11/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (16/11/2012)	Rs. Per Candy (12/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40500	40000	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41000	40500	+500
J-34(202)	26mm	3.5 - 4.9	23	31800	31500	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	32800	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	33800	33700	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35100	35100	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35600	35800	-200
DCH-32(107)	34mm	3.0 - 3.8	33	44700	44700	Unch

Cotlook Index: As on 16/11/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.45	+1.00

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 16/11/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	70.48	73.73	527
North Delta	69.73	71.23	470
South Delta	69.73	71.23	NIL
East TX-OK	66.50	71.00	6620
West Texas	66.50	72.00	33010
Desert SW	67.23	73.73	NIL
SJ Valley	67.98	78.63	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 16/11/2012

Contract	Open	High	Low	Close	Change
Dec-12	73.76	74.47	72.18	72.73	-1.23
Mar-13	72.12	72.74	71.77	72.64	0.4
May-13	72.78	73.62	72.62	73.54	0.42
Jul-13	73.76	74.6	73.63	74.53	0.43
Oct-13	76.25	76.25	76.25	76.25	0.33
Dec-13	76.25	76.85	75.98	76.78	0.25

Pakistan Cotton Spot rates: As on 16/11/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5925	155	6080
Equivalent	40 Kgs	6350	155	6505

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