

Cotton Domestic Fundamentals:

- Cotton markets continued steady to strong tone on Friday.
- Cotton arrivals are strong in major markets across country, in Khadgaon, Madhya Pradesh; good demand is reported from millers and exporters. Prices are treading below MSP.
- Cotton in mandis is of good quality with moisture contents of 8-9%.
- Prices of kapas are likely to remain Rs 850 to 950 per 20 kg for Nov-2012 & Jan-2013.
- Increasing arrivals and Cotton exports stood at 4.5 lakh bales as of November 5, 2012 and Exports for 2011-12 cotton seasons at 129 million bales.
- CAG has pegged domestic consumption at 260 lakh bales for 2012-13 seasons.
- Low demand around current levels weighed on the market.
- Indian prices are likely to stay stable at current levels for 2012-13.
- Domestic cotton prices are higher than international prices by 4-5%, which is making imports much attractive options for millers, imports are likely to touch 1.5 million bales for current year.

Cotton International Fundamentals

- International price movement of Rs.33-Rs.35 over past two months, liquidity has reduced from the market. With the Northern Hemisphere harvest almost finished, it is typical for open interest to fall at this time of year.
- China continues to buy cotton for its reserve which is giving support to cotton china index to rise.
- Azerbaijan raised exports for raw cotton.

Outlook: We expect domestic cotton prices to notice steady tone on growing demand in the ready market.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-4	949.50	954.00	940.50	940.50
Apr-13	11.5	962	974	962	974.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	3	-123	38	-1
Apr-13	5374	2808	13591	-116

Spread Feb-13 Apr-13

Basis	-110	
Feb-13		44
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/20kg)

Contract	+/-	Open	High	Low	Close
Feb-13	7	958.9	964.9	956.5	963.50
Apr-13	9.8	967	978	967	978.00

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	219	126	662	-87
Apr-13	247	91	551	-48

Spread Feb-13 Apr-13

Basis	-143.5	
Feb-13		14.5
April-13		

NB: Spread was done by taking avg spot prices at Ahmedabad – 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	16210	16260	16060	16190
31-Dec-12	0.55	16260	16380	16260	16360
31-Jan-13	0.61	16370	16490	16360	16470
28-Feb-13	0.55	16500	16600	16500	16570
29-Mar-13	0.54	16710	16780	16690	16730

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-11-2012	29-11-2012	
Amravati-Vunni Mech-1#	4100	4075	+25
Kadi-Bt Cotton#	4300	4200	+100
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4375	4385	-10
Rajkot-(B.T)	4360	4375	-15
Abohar-J-34*	3405	3490	-85
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3500	3490	+10
	4150	4135	+15
Fajlika *(Cotton New) #(Kapas BT Cotton)	3470	3470	Unch
	4280	4280	Unch
Khandwa-(M.P)	4150	Closed	-
Khargaon-(M.P)	4150	4175	-25
Sri-Ganganagar	3450	3425	+25

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-11-2012	29-11-2012	
Amravati -Vunni Mech-1#	1000	1500	-500
Kadi -Bt Cotton	35000	30000	+5000
Ahmedabad - Shankar-6#	28500	30000	-1500
Gondal	916	1585	-669
Rajkot-(B.T)	2400	3200	-800
Abohar-J-34*	900	1000	-100
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	400	400	Unch
Fajlika *(Cotton New) #(Kapas BT Cotton)	-	-	-
	2500	3000	-500
Khandwa (M.P)	3000	Closed	-
Khargaon-(M.P)	10000	10000	Unch
Sri-Ganganagar	6000	6000	Unch

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

Cotton Association of India Spot Rates: 29/11/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (29/11/2012)	Rs. Per Candy (28/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38000	38000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38500	38500	Unch
J-34(202)	26mm	3.5 - 4.9	23	31800	31700	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32700	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	33500	33500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34400	34300	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34800	34800	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	44800	44800	Unch

Cotlook Index: As on 29/11/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.65	Unch

China Cotton Index: As on 30/11/2012

Index	RMB/Ton	Change
CCIndex(328)	18918	+16
CCIndex(527)	16641	+22
CCIndex(229)	19794	+13

USDA Cotton Spot Rates: As on 29/11/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.35	74.85	523
North Delta	70.35	71.85	527
South Delta	70.35	71.85	NIL
East TX-OK	67.50	72.00	1929
West Texas	67.50	73.00	10652
Desert SW	67.85	74.35	NIL
SJ Valley	68.85	79.50	500

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 29/11/2012

Contract	Open	High	Low	Close	Change
Dec-12	71.73	72.45	71.73	71.75	0.52
Mar-12	72.64	73.98	72.27	73.35	0.72
May-12	73.15	74.55	73.15	74.02	0.57
Jul-12	74.7	75.3	74.5	74.67	0.35
Oct-12	76.29	76.29	76.29	76.29	0.26
Dec-12	76.8	77.56	76.78	76.92	0.25

Pakistan Cotton Spot rates: As on 29/11/2012 (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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.