

Cotton Domestic Fundamentals:

- Cotton markets noticed steady to weak tone on Wednesday amid low demand and rising arrivals.
- Last year arrivals around this time of the year were 2 lakh bales, while present levels are around 1.5 lakh bales.
- Imports are halted as arrivals in markets have begun. Also exports may touch 1.5 lakh bales by mid-December.
- Currently exports are going to Bangladesh at 82 cents which is higher than international prices due to good demand.
- Government has procured 20.74 lakh quintals of cotton at minimum support price (MSP) in 2012-13. To stabilize prices government had announced procurement of 90 lakh bales at MSP this year.
- Daily arrivals in Andhra Pradesh are about 40,000 bales.

Cotton International Fundamentals

- China cumulative procurement since September 8 has touched 35.3 lakh tons.
- Australian cotton is likely to suffer a quarter losses in production for next season due to lower prices for this year and competition from other crops which had been paying well.
- Global stocks, after an increase for three years in a row, stocks could contract by 6 percent.
- Cotton futures at NYMEX closed higher amid short –covering.
- Prices in Pakistan firmed up following lower arrivals in the country. Expected good demand for cotton yarn from China will support prices.

Outlook: We expect domestic cotton prices to continue steady to weak tone amid lack –luster demand in the ready market.

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

Contract	+/-	Open	High	Low	Close
Feb-13	0	0.00	0.00	0.00	0.00
Apr-13	10.5	962	976.5	961	974.50

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

Contract	+/-	Open	High	Low	Close
Feb-13	7.4	957.1	968	956.8	966.9
Apr-13	8.4	969	979.9	967	978.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-2	37	-1
Apr-13	5050	1205	13795	103

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	235	-20	661	-41
Apr-13	426	138	580	-61

Spread Feb-13 Apr-13

Basis	-65	
Feb-13		44.5
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	-101.9	
Feb-13		11.1
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
31-Dec-12	0.55	16240	16330	16200	16330
31-Jan-13	0.43	16330	16430	16320	16420
28-Feb-13	0.61	16470	16560	16450	16560
29-Mar-13	0.42	16610	16690	16600	16690

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	05-12-2012	04-12-2012	
Amravati-Vunni Mech-1#	4000	4050	-50
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4325	4350	-25
Gondal	4310	4305	+5
Rajkot-(B.T)	4315	4365	-50
Abohar-J-34*	3480	3480	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3485	3490	-5
	4150	4175	-25
Fajlika #(Cotton New) #(Kapas BT Cotton)	3450	-	-
	4250	-	-
Khandwa-(M.P)	4100	4125	-25
Khargaon-(M.P)	4100	4125	-25
Sri-Ganganagar	3425	3425	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	05-12-2012	04-12-2012	
Amravati -Vunni Mech-1#	2500	4000	-1500
Kadi -Bt Cotton	35000	50000	-15000
Ahmedabad - Shankar-6#	35000	35000	Unch
Gondal	1934	2196	-262
Rajkot-(B.T)	1650	1675	-25
Abohar-J-34*	1000	1000	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	400	500	-100
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2200	-	-
Khandwa (M.P)	3500	4000	-500
Khargaon-(M.P)	10000	9000	+1000
Sri-Ganganagar	6000	5000	+1000

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

Cotton Association of India Spot Rates: 04/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (04/12/2012)	Rs. Per Candy (03/12/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37300	37700	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37800	38200	-400
J-34(202)	26mm	3.5 - 4.9	23	31900	32100	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32700	33000	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	33300	33600	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34200	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34700	35000	-300
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45200	-200

Cotlook Index: As on 04/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	82.85	+0.10

China Cotton Index: As on 05/12/2012

Index	RMB/Ton	Change
CCIndex(328)	18953	+7
CCIndex(527)	16676	+14
CCIndex(229)	19826	+9

USDA Cotton Spot Rates: As on 04/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	70.91	74.41	5466
North Delta	69.91	71.41	NIL
South Delta	69.91	71.41	709
East TX-OK	67	71.5	1749
West Texas	67	72.25	24951
Desert SW	67.41	73.91	NIL
SJ Valley	68.41	79.06	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 04/12/2012

Contract	Open	High	Low	Close	Change
Dec-12	71.94	72.01	71.64	71.91	-1.02
Mar-12	73.94	73.94	72.52	72.91	-1.07
May-12	74.51	74.58	73.46	73.87	-0.87
Jul-12	74.95	75.19	74.26	74.73	-0.45
Oct-12	76.47	76.47	76.47	76.47	-0.2
Dec-12	77	77.17	76.36	77.11	-0.08

Pakistan Cotton Spot rates: As on 04/12/2012 (in Pakistan Rupees)

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

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.