

Cotton Domestic Fundamentals:

- Cotton markets notice weak tone on Monday except Fazilika and Gondal.
- Indian mills use in 2012-13 is expected to offset export decline from China.
- Rajkot, Gujarat gains prices on export demand and lower arrivals due to elections in state.
- The Cotton Corporation of India (CCI) has begun its procurement in Madhya Pradesh, Karnataka and Odisha. In these states cotton prices have fallen below MSP on rising arrivals.
- In Andhra Pradesh National Spot Exchange is procuring in behalf of National Agricultural Cooperative Marketing Federation of India (NAFED). In other major cotton producing states procurement is ready to begin. Latest updates of cotton procurement in Andhra and Maharashtra are 13,000 bales by government agencies. National Spot Exchange are targeting of procuring 15,000 bales of cotton worth of Rs. 500 crore by March 2013 from 18 centers of Andhra Pradesh. Cotton quality is good and procurement is open across 7 centers in Andhra Pradesh.

Cotton International Fundamentals

- In Pakistan, domestic lint prices would remain firm with rising demand of fine grade in the next coming sessions, as demand of fine lint would grow on back of local as well as foreign orders of yarn and cloth.
- USDA report projected 3 percent rise in global cotton consumption after 8 year slump.
- Pakistan cotton crop is likely to decline by 7.34 percent to 12.66 million bales from earlier projected at 13.59 million bales.

Outlook: We expect domestic cotton prices to notice steady to firm tone amid good demand from the exporters.

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

Contract	+/-	Open	High	Low	Close
Feb-13	21	1,024.50	1,024.50	988.50	1,020.00
Apr-13	10.5	1033	1046	1021	1044.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	11	9	36	0
Apr-13	13192	6471	15984	1117

Spread Feb-13 Apr-13

Spread	Feb-13	Apr-13
Basis		
Feb-13		114.5
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	7.1	1015.8	1028	1009.3	1026.00
Apr-13	10.7	1027	1041	1018.5	1039.4

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	312	130	494	12
Apr-13	1214	658	914	15

Spread Feb-13 Apr-13

Spread	Feb-13	Apr-13
Basis	-146	
Feb-13		13.4
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	0.36	16610	16700	16480	16700
31-Jan-13	0.24	16790	16880	16660	16870
28-Feb-13	0.12	16950	17030	16810	17020
29-Mar-13	0.06	17100	17200	16980	17160
30-Apr-13	0.29	17180	17340	17150	17340

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	17-12-2012	15-12-2012	
Amravati-Vunni Mech-1#	4050	4100	-50
Kadi-Bt Cotton#	4350	4400	-50
Ahmedabad-Shankar-6#	4400	4400	Unch
Gondal	4300	4260	40
Rajkot-(B.T)	4425	4500	-75
Abohar-J-34*	3551	3600	-49
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3560	3590	-30
	4300	4300	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	3550	3575	-25
	4350	4340	10
Khandwa-(M.P)	4150	-	-
Khargaon-(M.P)	4100	-	-
Sri-Ganganagar	3500	3520	-20

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	17-12-2012	15-12-2012	
Amravati -Vunni Mech-1#	1700	2500	-800
Kadi -Bt Cotton	45000	45000	Unch
Ahmedabad - Shankar-6#	30000	35000	-5000
Gondal	700	524	176
Rajkot-(B.T)	4500	2000	2500
Abohar-J-34*	1000	800	200
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	450	250	200
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1500	1500	Unch
Khandwa (M.P)	3500	-	-
Khargaon-(M.P)	9000	-	-
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: 15/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (15/12/2012)	Rs. Per Candy (14/12/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36200	36000	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36700	36500	+200
J-34(202)	26mm	3.5 - 4.9	23	32800	32900	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33300	33400	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	34100	34200	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34500	34600	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34900	35000	-100
DCH-32(107)	34mm	3.0 - 3.8	33	45700	45700	Unch

Cotlook Index: As on 14/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	83.50	-0.40

China Cotton Index: As on 17/12/2012

Index	RMB/Ton	Change
CCIndex(328)	19060	+7
CCIndex(527)	16741	+6
CCIndex(229)	19889	+4

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

USDA Cotton Spot Rates: As on 14/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.84	76.59	5729
North Delta	71.84	73.59	NIL
South Delta	71.84	73.59	NIL
East TX-OK	69	73.5	1134
West Texas	69	74.25	12366
Desert SW	69.59	76.09	NIL
SJ Valley	70.59	81.24	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 14/12/2012

Contract	Open	High	Low	Close	Change
Dec-12	74.5	75.16	74.4	75.09	0.53
Mar-12	75.56	76.08	75.5	76.04	0.53
May-12	76.3	76.88	76.29	76.88	0.55
Jul-12	77.58	77.58	77.58	77.58	0.67
Oct-12	77.6	78.29	77.6	78.24	0.61
Dec-12	78.78	78.78	78.78	78.78	0.63

Pakistan Cotton Spot rates: As on 14/12/2012 (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.

