

## Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Tuesday, amid rising arrivals.
- Cotton Association of India has come out with higher outlook in carryover stocks at 147.46 lakh bales.
- Exports in 2012-13 are estimated to be at 57 lakh bales by USDA report.
- Total procurement of cotton in Andhra Pradesh is around 30% of total production expected. CCI, Nafed and private traders have procured 2.41 million bales so far, according to commissioner and director of agricultural marketing, G Venkatram Reddy.
- Registration for exporting cotton yarn stood at 100 million kg, 32 per cent higher in November 2012 than in the year-ago period and five per cent more than in the previous month according to Director General of Foreign Trade.

## Cotton International Fundamentals

- In December, China imported 532,000 tonnes of cotton. Indian cotton was highest with 134,000 tonnes, which supported prices in domestic market.
- Brazil cotton production would decline by 23% to 1.44 million tons in 2012-13. This is not likely to have significant impact on global prices as there is record surplus of global cotton. Mainly losing area to soybean due to higher prices.
- China has finalized the selling of cotton reserves from Monday to meet demand from domestic textile companies.
- The price at which the selling is to be done is slightly lower than domestic prices but 25-30% higher than international prices.

**Outlook:** We expect domestic cotton prices to continue steady to firm tone on good export demand of cotton yarn.

### 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	6	919	928	917.5	922.50

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

Contract	+/-	Open	High	Low	Close
Feb-13	2.8	902.8	910.5	902.6	905
Apr-13	5	925	932.9	922.8	928.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-1	40	0
Apr-13	7408	510	13190	510

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	233	-125	1085	14
Apr-13	746	-73	1278	-67

### Spread

Feb-13

Apr-13

Basis

65

Feb-13

57.5

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

-40

Feb-13

23

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-Jan-13	0.31	16260	16350	16260	16300
28-Feb-13	0.24	16540	16590	16510	16550
29-Mar-13	0.36	16820	16890	16820	16870
30-Apr-13	0.18	17150	17190	17150	17160
31-May-13	0.29	17440	17440	17440	17440

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	15-01-2013	14-01-2013	
Amravati-Vunni Mech-1#	4050	4075	-25
Kadi-Bt Cotton#	4250	Closed	-
Ahmedabad-Shankar-6#	Closed	Closed	-
Gondal	4285	Closed	-
Rajkot-(B.T)	4325	Closed	-
Abohar-J-34*	3575	3590	-15
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	Closed	Closed	-
	Closed	Closed	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	3550	Closed	-
	4305	Closed	-
Khandwa-(M.P)	-	Closed	-
Khargaon-(M.P)	-	Closed	-
Sri-Ganganagar	3480	3500	-20

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	15-01-2013	14-01-2013	
Amravati -Vunni Mech-1#	3000	2000	1000
Kadi -Bt Cotton	20000	Closed	-
Ahmedabad - Shankar-6#	Closed	Closed	-
Gondal	6471	Closed	-
Rajkot-(B.T)	4460	Closed	-
Abohar-J-34*	800	700	100
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	Closed	Closed	-
	Closed	Closed	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	Closed	-
	2000	Closed	-
Khandwa (M.P)	-	Closed	-
Khargaon-(M.P)	-	Closed	-

Sri-Ganganagar	6000	6000	<b>Unch</b>
----------------	------	------	-------------

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

**Cotton Association of India Spot Rates: 14/01/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (14/01/2013)	Rs. Per Candy (12/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34700	35100	<b>-400</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35200	35600	<b>-400</b>
J-34(202)	26mm	3.5 - 4.9	23	32800	32800	<b>Unch</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32800	<b>Unch</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	33600	<b>+100</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34100	34000	<b>+100</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	35000	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	<b>Unch</b>

**Cotlook Index: As on 14/01/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	83.55	<b>+0.20</b>

**China Cotton Index: As on 15/01/2013**

Index	RMB/Ton	Change
CCIndex(328)	19268	<b>+5</b>
CCIndex(527)	16891	<b>Unch</b>
CCIndex(229)	20015	<b>+4</b>

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

**USDA Cotton Spot Rates: As on 14/01/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.77	76.02	<b>440</b>
North Delta	72.27	74.77	NIL
South Delta	72.27	74.77	NIL
East TX-OK	69	72.75	<b>3281</b>
West Texas	69	72.75	<b>14291</b>
Desert SW	70.27	76.77	NIL
SJ Valley	71.02	81.67	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 14/01/2013**

Contract	Open	High	Low	Close	Change
13-Mar	75.62	76.03	75.12	75.52	-0.1
13-May	76.61	76.76	75.94	76.36	-0.04
13-Jul	77.58	77.7	76.97	77.41	Unch
13-Oct	78.05	78.05	78.05	78.05	-0.07
13-Dec	78.95	79.17	78.6	79.14	0.1
14-Mar	80.38	80.38	80.38	80.38	0.1

**Pakistan Cotton Spot rates: As on 14/01/2013 (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.