

Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Friday; most of markets in North India reported normal demand amid lower arrivals due to bad weather.
- Cotton consumption by non-SSI mill stood at 1.928 million bales during November, 2012 and SSI mill consumption was at 184,000 bales up 8.2 percent compared to same period last year, as per textile commissioner.
- 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.

Cotton International Fundamentals

- China cotton output increased by 3.2% to 6.84 million tons as per National Bureau of Statistics, China.
- USDA forecast, China to reduce the imports by 53% which may be affecting international prices to reduce.
- USA Cotton acreage is expected to decrease by 21% to 9.73 million hectares due to crop shift to corn and soybean crops as they are giving higher returns than fiber crop.
- Cotton futures jumped on signs that demand is improving in China. As cotton sold from huge reserve is not of good quality and is being rejected by traders and spinners.

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	-	-	-	-	-
Apr-13	3.5	926	928	921	926.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	2.8	907.3	910.1	905	909.00
Apr-13	0.6	932	932.1	926	929.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-2	36	-2
Apr-13	4722	-169	12885	-169

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	173	-237	1064	12
Apr-13	591	-382	1372	-23

Spread

Feb-13

Apr-13

Basis

60

Feb-13

56

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

-39

Feb-13

20

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	-0.06	16380	16400	16330	16350
28-Feb-13	-0.12	16650	16670	16570	16610
29-Mar-13	-0.18	16960	16970	16890	16900
30-Apr-13	-0.29	17230	17230	17190	17200
31-May-13	-0.4	17520	17520	17440	17450

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	18-01-2013	17-01-2013	
Amravati-Vunni Mech-1#	4025	4050	-25
Kadi-Bt Cotton#	4150-4250	4300	-50
Ahmedabad-Shankar-6#	-	4350	-
Gondal	3880-4300	4305	-5
Rajkot-(B.T)	4000-4290	4325	-35
Abohar-J-34*	-	3575	-
Muktsar-J-34 *(Cotton)	-	Closed	-
#(Kapas BT Cotton)	-	Closed	-
Fajlika #(Cotton New)	-	3560	-
#(Kapas BT Cotton)	-	4190	-
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3500	3500	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	18-01-2013	17-01-2013	
Amravati -Vunni Mech-1#	3000	3000	Unch
Kadi -Bt Cotton	35000	35000	Unch
Ahmedabad - Shankar-6#	-	42000	-
Gondal	1724	1837	-113
Rajkot-(B.T)	4710	4860	-150
Abohar-J-34*	-	1300	300
Muktsar-J-34 *(Cotton)	-	Closed	-
#(Kapas BT Cotton)	-	Closed	-
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	-	2000	-
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-

Sri-Ganganagar	3000	6000	-3000
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Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 17/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (17/01/2013)	Rs. Per Candy (16/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34600	34200	+400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	34700	+400
J-34(202)	26mm	3.5 - 4.9	23	32700	32600	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	32800	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	33700	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34300	34100	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35200	35000	+200
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 17/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.00	+0.90

China Cotton Index: As on 18/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19287	+4
CCIndex(527)	16905	+4
CCIndex(229)	20039	+2

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

USDA Cotton Spot Rates: As on 17/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	75.03	78.28	1632
North Delta	74.53	77.03	NIL
South Delta	74.53	77.03	NIL
East TX-OK	71.00	74.75	7076
West Texas	71.00	74.75	26124
Desert SW	72.53	79.03	NIL
SJ Valley	73.28	83.93	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 17/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	77.27	78.18	76.88	77.78	+0.45
13-May	77.71	78.46	77.40	78.19	+0.41
13-Jul	78.25	79.00	78.23	78.06	+0.47
13-Oct	79.07	79.07	79.07	79.07	+0.47
13-Dec	79.30	79.60	78.78	79.29	+0.05
14-Mar	80.23	80.23	80.23	80.23	-0.21

Pakistan Cotton Spot rates: As on 17/01/2013 (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

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