

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Tuesday.
- Prices are going to be range bound. No significant movement seen in near future.
- According to India Rating agency the cotton prices are going to be stable at current levels or fall by 5-10percent. Consumption to production ratio is low with current global inventories ration estimated at 71 percent.
- Cotton yarn exports are expected to touch 1000 million kg in 2012-13 on heavy demand from China. This is a bumper year for the industry. Domestic production of cotton yarn from April-November 2012 stood at 2,317 million kg, 14 percent higher to same period last year.

Cotton International Fundamentals

- Pakistan has lost \$1 billion exports orders by textile industry due to shortage of power, which is 30-40 percent of exports. This has given Indian companies a window to rise in export orders. In December 100 million kg was exported.
- Egypt came to agree to export additional 800 metric tons of cotton by Jan.24. India is top importer of Egyptian cotton for manufacturing of luxury textile. 33,915 tons of the fiber, valued at \$97.6 million, since Sept. 1

Outlook: We expect domestic cotton prices to continue steady to weak tone on rising arrivals and normal demand.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-2	850.00	853.00	850.00	853.00
Apr-13	10	897	906	895.5	905.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	8	878.9	886	876	884.7
Apr-13	8.8	902	910.5	900.2	909.7

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	2	35	0
Apr-13	6828	-81	12876	-81

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	254	-61	1042	-27
Apr-13	756	-101	1489	-53

Spread Feb-13 Apr-13

Basis	60	
Feb-13		35
April-13		

Spread Feb-13 Apr-13

Basis	-14.7	
Feb-13		25
April-13		

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

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MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
31-Jan-13	1.29	16370	16560	16360	16520
28-Feb-13	1.38	16650	16880	16650	16840
29-Mar-13	1.3	16990	17180	16970	17150
30-Apr-13	1.39	17330	17500	17290	17490
31-May-13	1.26	17560	17740	17560	17740

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	29-01-2013	28-01-2013	
Amravati-Vunni Mech-1#	4000	4050	-50
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4255	4280	-25
Rajkot-(B.T)	4310	4300	10
Abohar-J-34*	3640	3625	15
Muktsar-J-34 *(Cotton)	3645	3625	20
#(Kapas BT Cotton)	4200	4200	Unch
Fajlika #(Cotton New)	3590	3590	Unch
#(Kapas BT Cotton)	4320	4310	10
Khandwa-(M.P)	4080	4100	-20
Khargaon-(M.P)	4080	4100	-20
Sri-Ganganagar	3580	3550	30

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	29-01-2013	28-01-2013	
Amravati -Vunni Mech-1#	4000	2000	2000
Kadi -Bt Cotton	45000	45000	Unch
Ahmedabad - Shankar-6#	50000	50000	Unch
Gondal	1943	3681	-1738
Rajkot-(B.T)	4680	5020	-340
Abohar-J-34*	1000	1100	-100
Muktsar-J-34 *(Cotton)	-	-	-
#(Kapas BT Cotton)	600	600	Unch
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	2000	2000	Unch
Khandwa (M.P)	4000	5000	-1000
Khargaon-(M.P)	10000	10000	Unch

Sri-Ganganagar	6000	7000	-1000
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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: 28/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (28/01/2013)	Rs. Per Candy (25/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33200	33700	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33700	34200	-500
J-34(202)	26mm	3.5 - 4.9	23	33100	33100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33200	33200	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	33900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34400	34400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35300	35300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 28/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	87.65	-1.85

China Cotton Index: As on 29/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19267	-5
CCIndex(527)	16910	-3
CCIndex(229)	20038	-1

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

USDA Cotton Spot Rates: As on 28/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	77.8	81.05	NIL
North Delta	77.05	79.55	NIL
South Delta	77.05	79.55	NIL
East TX-OK	73	76	312
West Texas	73	76.25	6551
Desert SW	75.55	82.05	NIL
SJ Valley	76.3	86.95	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 28/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	80.72	81.38	80.18	81.05	0.53
13-May	80.49	81.33	80.03	81.01	0.53
13-Jul	80.6	81.23	79.83	80.97	0.57
13-Oct	80.03	80.03	80.03	80.03	0.31
13-Dec	79.94	80.1	79.59	79.99	0.29
14-Mar	80.89	80.89	80.89	80.89	0.39

Pakistan Cotton Spot rates: As on 28/01/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6050	155	6205
Equivalent	40 Kgs	6484	155	6639

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