

## Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Friday.
- Prices are expected to rise on export demand in coming week.
- Traders are expecting demand from Southeast Asia that could compensate for Chinese demand.
- Arrivals in this season have been around 170 lakh bales, with Gujarat major contributor with 42.5 lakh bales, 39.5 lakh bales from Andhra Pradesh, 32 lakh bales from Maharashtra.
- 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 International Fundamentals

- Bangladesh is inking a deal with India to procure 15 lakh bales every year.
- 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.

**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	-14	860.00	860.00	845.00	845.00
Apr-13	-5	910	915	904	908.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	12	12	28	-7
Apr-13	6322	-385	13328	-385

### Spread Feb-13 Apr-13

Basis	60	
Feb-13		38
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	-7.4	891	896	885	886.8
Apr-13	-4.8	916.1	922	911.9	915.00

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	468	189	1253	172
Apr-13	748	-61	1746	146

### Spread Feb-13 Apr-13

Basis	-16.8	
Feb-13		28.2
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	-0.57	17630	17690	17500	17550
28-Feb-13	-0.35	17390	17420	17240	17300
29-Mar-13	-0.35	17110	17150	16970	17030
30-Apr-13	-0.36	16800	16850	16650	16730
31-May-13	-0.57	17630	17690	17500	17550

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	01-02-2013	31-01-2013	
Amravati-Vunni Mech-1#	4050	4050	Unch
Kadi-Bt Cotton#	4200	4250	-50
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4300	4300	Unch
Rajkot-(B.T)	4325	4300	25
Abohar-J-34*	3660	3680	-20
Muktsar-J-34 *(Cotton )	3660	3680	-20
*(Kapas BT Cotton)	4200	4200	Unch
Fajlika *(Cotton New)	3630	3635	-5
*(Kapas BT Cotton)	4320	4390	-70
Khandwa-(M.P)	4120	4090	30
Khargaon-(M.P)	4120	4090	30
Sri-Ganganagar	3525	3600	-75

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	01-02-2013	31-01-2013	
Amravati -Vunni Mech-1#	3000	2000	1000
Kadi -Bt Cotton	45000	50000	-5000
Ahmedabad - Shankar-6#	50000	50000	Unch
Gondal	1516	2256	-740
Rajkot-(B.T)	3550	4400	-850
Abohar-J-34*	800	700	100
Muktsar-J-34 *(Cotton )	-	-	-
*(Kapas BT Cotton)	400	400	Unch
Fajlika *(Cotton New)	-	-	-
*(Kapas BT Cotton)	2000	2000	Unch
Khandwa (M.P)	3500	4000	-500
Khargaon-(M.P)	10000	8000	2000
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: 31/01/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (31/01/2013)	Rs. Per Candy (30/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34200	34200	Unch
J-34(202)	26mm	3.5 - 4.9	23	33600	33800	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33500	33700	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	34100	34300	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34700	34900	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35600	35800	-200
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

**Cotlook Index: As on 31/01/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	90.35	+1.05

**China Cotton Index: As on 01/02/2013**

Index	RMB/Ton	Change
CCIndex(328)	19280	+9
CCIndex(527)	16922	+11
CCIndex(229)	20044	+3

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

**USDA Cotton Spot Rates: As on 31/01/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.45	82.7	6242
North Delta	78.7	81.2	2583
South Delta	78.7	81.2	NIL
East TX-OK	74.75	77.5	567
West Texas	74.75	78	7048
Desert SW	77.45	83.95	NIL
SJ Valley	78.2	88.85	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 31/01/2013**

Contract	Open	High	Low	Close	Change
13-Mar	82.96	83.34	82.08	82.95	-0.01
13-May	83.08	83.28	82.25	83.15	-0.01
13-Jul	83	83.61	82.22	83.44	0.29
13-Oct	81.29	82.06	81.29	81.69	0.46
13-Dec	81	81.25	80.5	81.15	0.04
14-Mar	81.92	82.15	81.92	82.15	0.09

**Pakistan Cotton Spot rates: As on 31/01/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6100	155	6255
Equivalent	40 Kgs	6537	155	6692

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