

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Monday.
- 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	-24	828.00	836.50	823.50	823.50
Apr-13	-15.5	900	900	879.5	884.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	18	13	26	-4
Apr-13	10926	-347	13361	-347

Spread Feb-13 Apr-13

Spread	Feb-13	Apr-13
Basis	-18.5	
Feb-13		33.5
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	-16.5	878.2	879	859.3	863.7
Apr-13	-15.8	906.1	906.6	888.8	891.8

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	754	585	1349	131
Apr-13	1257	752	2055	181

Spread Feb-13 Apr-13

Spread	Feb-13	Apr-13
Basis	1.3	
Feb-13		28.1
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	-0.89	16750	16760	16610	16610
28-Feb-13	-1	17040	17050	16880	16880
29-Mar-13	-0.75	17310	17310	17160	17180
30-Apr-13	-0.85	17480	17510	17420	17440
31-May-13	-0.89	16750	16760	16610	16610

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	04-02-2013	02-02-2013	
Amravati-Vunni Mech-1#	4075	4050	25
Kadi-Bt Cotton#	4250	4200	50
Ahmedabad-Shankar-6#	4350	4325	25
Gondal	4475	4260	215
Rajkot-(B.T)	4290	4275	15
Abohar-J-34*	3720	3675	45
Muktsar-J-34 *(Cotton)	3715	3670	45
#(Kapas BT Cotton)	-	4170	-
Fajlika #(Cotton New)	3630	3630	Unch
#(Kapas BT Cotton)	4320	4320	Unch
Khandwa-(M.P)	4080	Closed	-
Khargaon-(M.P)	4080	Closed	-
Sri-Ganganagar	3640	3525	115

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	04-02-2013	02-02-2013	
Amravati -Vunni Mech-1#	2000	3500	-1500
Kadi -Bt Cotton	55000	50000	5000
Ahmedabad - Shankar-6#	45000	50000	-5000
Gondal	1464	1320	144
Rajkot-(B.T)	4210	4080	130
Abohar-J-34*	200	500	-300
Muktsar-J-34 *(Cotton)	-	-	-
#(Kapas BT Cotton)	-	300	-
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	2000	2000	Unch
Khandwa (M.P)	5000	Closed	-
Khargaon-(M.P)	12000	Closed	-
Sri-Ganganagar	2000	6000	-4000

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

Cotton Association of India Spot Rates: 02/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (02/02/2013)	Rs. Per Candy (01/02/2013)	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	33700	33600	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33400	33400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34100	34100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34800	34600	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35600	35600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45000	+500

Cotlook Index: As on 01/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.35	Unch

China Cotton Index: As on 04/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19277	-3
CCIndex(527)	16922	Unch
CCIndex(229)	20038	-2

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

USDA Cotton Spot Rates: As on 01/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.48	82.73	3460
North Delta	78.73	81.23	2487
South Delta	78.73	81.23	NIL
East TX-OK	74.75	77.5	1297
West Texas	74.75	78	2233
Desert SW	77.48	83.98	NIL
SJ Valley	78.23	88.88	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 01/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	83.1	83.45	82.3	82.98	0.03
13-May	83.1	83.8	82.5	83.55	0.4
13-Jul	83.25	84	82.8	83.88	0.44
13-Oct	82.29	82.29	82.29	82.29	0.6
13-Dec	81.14	81.5	80.51	81.46	0.31
14-Mar	82	82.43	81.76	82.4	0.25

Pakistan Cotton Spot rates: As on 01/02/2013 (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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