

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Tuesday.
- 1.85 lakh bales arrived in the market.
- China is buying yarn majorly, as raw cotton imports have been made 40% increase on import duty. Vietnam, Indonesia and Bangladesh are buying raw cotton from India to meet the incoming demand from China.
- India is supplying raw cotton at 85 cents/lb where as USA quotes at 97-99 cents/lb. Till date 2.4 million bales of raw cotton has been exported to south asian countries. Which was 3.5 million bales last year, major buying from China
- Cotton traded higher in on good expected demand ahead of USDA report.
- Spinners and exporters are active in the market.

Cotton International Fundamentals

- USA cotton acreage is likely to fall by 23 percent as other cash crops are more attracting than cotton.
- USA exports fell by 29 percent from previous week due to Chinese Lunar year celebration which is week long holiday. 11 percent of the shipments were cancelled.
- USDA report; China increased import forecast from 12.5 million bales to 14 million bales.
- Net upland sales of 93,600 bales for 2012-13 marketing year were 29 percent down. Mainly exported to Turkey, Taiwan, and Vietnam.
- Bangladesh is inking a deal with India to procure 15 lakh bales every year.

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	1	830.00	838.50	830.00	835.00
Apr-13	2	905	914	901.5	907.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	9	-7	19	2
Apr-13	8644	-170	12936	-170

Spread Feb-13 Apr-13

Basis	60	
Feb-13		37
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	-1	875.6	883	870	873.6
Apr-13	0.4	911	918.5	907.3	911.00

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	423	-526	1322	59
Apr-13	706	-484	1894	-50

Spread Feb-13 Apr-13

Basis	-3.6	
Feb-13		37.4
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
28-Feb-13	0.23	17020	17120	16960	17080
29-Mar-13	0.23	17290	17430	17260	17390
30-Apr-13	0.06	17610	17710	17550	17640
31-May-13	0.17	17910	17970	17820	17930
28-Jun-13	0.17	17850	18230	17850	18180

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	12-2-2013	11-2-2013	
Amravati–Vunni Mech-1#	4100	4100	Unch
Kadi–Bt Cotton#	4400	4250	+150
Ahmedabad–Shankar-6#	4400	4400	Unch
Gondal	4330	4475	-145
Rajkot-(B.T)	4330	4340	-10
Abohar–J-34*	3815	3800	+15
Muktsar–J-34 *(Cotton) #(Kapas BT Cotton)	3815	3800	+15
	4450	4350	+100
Fajlika *(Cotton New) #(Kapas BT Cotton)	3800	3720	+80
	4520	4490	+30
Khandwa-(M.P)	4100	4180	-80
Khargaon-(M.P)	4100	4180	-80
Sri-Ganganagar	3730	3750	-20

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	12-2-2013	11-2-2013	
Amravati –Vunni Mech-1#	2500	3000	-500
Kadi –Bt Cotton	25000	25000	Unch
Ahmedabad – Shankar-6#	40000	40000	Unch
Gondal	1051	2070	-1019
Rajkot-(B.T)	3400	5030	-1630
Abohar–J-34*	500	700	-200
Muktsar–J-34 *(Cotton)	-	-	-

#(Kapas BT Cotton)	-	-	-
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	1000	1500	-500
Khandwa (M.P)	1200	3500	-2300
Khargaon-(M.P)	4000	8000	-4000
Sri-Ganganagar	5000	5000	Unch

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

Cotton Association of India Spot Rates: 09/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (11/02/2013)	Rs. Per Candy (09/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33900	33900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34300	34300	Unch
J-34(202)	26mm	3.5 - 4.9	23	34600	34100	+500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34100	33600	+500
Shankar-6(105)	29mm	3.5 - 4.9	28	34600	34200	+400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35200	35000	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	35700	+300
DCH-32(107)	34mm	3.0 - 3.8	33	45800	45500	+300

Cotlook Index: As on 11/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.15	+1.10

China Cotton Index: As on 07/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19273	-2
CCIndex(527)	16917	-3
CCIndex(229)	20033	-2

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

USDA Cotton Spot Rates: As on 08/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.42	82.67	1203
North Delta	78.42	80.92	NIL
South Delta	78.42	80.92	NIL
East TX-OK	74.5	77.25	195
West Texas	74.5	77.75	1638
Desert SW	77.17	83.67	NIL
SJ Valley	77.92	88.57	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 11/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	82.55	83.32	82.23	82.92	0.25
13-May	83.25	84.01	83.03	83.92	0.62
13-Jul	83.96	84.82	83.65	84.73	0.76
13-Oct	84.75	84.75	84.75	84.75	1.23
13-Dec	82.92	83.98	82.78	83.84	0.92
14-Mar	84.16	84.78	84	84.78	0.94

Pakistan Cotton Spot rates: As on 09/02/2013 (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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