

Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Thursday.
- China cotton is at 140 cn/lb where as India is providing at 82 cn/lb.
- Millers want CCI commercial buying to stop as it is hurting the yarn industry.
- Millers want MSP to be untouched. As any increase is going to cause losses.
- 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.

Cotton International Fundamentals

- USA cotton acreage are going to be 27 percent less than last sowing year, as sowing season has begun. Farmers have shifted to more cash dividend crop like soybean and corn. This might fuel prices in last quarter of this year.
- 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.

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	8	824.00	831.00	824.00	831.00
Apr-13	16.5	892	911	892	910.50

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

Contract	+/-	Open	High	Low	Close
Feb-13	12.6	852.2	869	850.3	867.4
Apr-13	15.1	896.9	914	896.9	913.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	-5	13	1
Apr-13	6997	-212	12453	-212

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	351	-523	1332	-99
Apr-13	799	-112	1964	-36

Spread	Feb-13	Apr-13
Basis	60	
Feb-13		40.5
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	2.6	
Feb-13		46.1
April-13		

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

Contract	% Change	Open	High	Low	Close
28-Feb-13	1.06	16960	17130	16960	17130
29-Mar-13	1.1	17240	17440	17240	17430
30-Apr-13	1.08	17490	17730	17490	17730
31-May-13	0.84	17880	18000	17800	18000
28-Jun-13	-0.38	18160	18290	18160	18250

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	14-2-2013	13-2-2013	
Amravati-Vunni Mech-1#	4250	4250	Unch
Kadi-Bt Cotton#	4350	4350	Unch
Ahmedabad-Shankar-6#	4280	4325	-45
Gondal	4330	4330	Unch
Rajkot-(B.T)	3800	3820	-20
Abohar-J-34*	3810	3825	-15
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	4400	4400	Unch
	3800	3790	10
Fajlika #(Cotton New) #(Kapas BT Cotton)	4490	4581	-91
	4100	4100	Unch
Khandwa-(M.P)	4100	4100	Unch
Khargaon-(M.P)	3630	3740	-110
Sri-Ganganagar	4250	4250	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	14-2-2013	13-2-2013	
Amravati -Vunni Mech-1#	-	2000	-
Kadi -Bt Cotton	55000	55000	Unch
Ahmedabad - Shankar-6#	43000	40000	3000
Gondal	1088	897	191
Rajkot-(B.T)	2500	2800	-300
Abohar-J-34*	400	400	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1300	1500	-200
Khandwa (M.P)	-	1600	-
Khargaon-(M.P)	-	6000	-
Sri-Ganganagar	4000	4000	Unch

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

Cotton Association of India Spot Rates: 13/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (13/02/2013)	Rs. Per Candy (12/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33900	34100	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34700	34500	+200
J-34(202)	26mm	3.5 - 4.9	23	34800	34600	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33900	33900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34400	34400	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35100	35100	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35900	35900	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45800	45800	Unch

Cotlook Index: As on 13/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.40	-0.90

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 12/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	78.56	81.81	2355
North Delta	77.56	80.06	NIL
South Delta	77.56	80.06	4
East TX-OK	73.75	76.5	125
West Texas	73.75	77	1515
Desert SW	76.31	82.81	NIL
SJ Valley	77.06	87.71	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 13/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	81.7	81.7	80.05	80.82	-0.99
13-May	82.8	82.97	81.35	82.21	-0.89
13-Jul	83.6	83.82	82.3	83.2	-0.75
13-Oct	83.26	83.26	83.26	83.26	-0.71
13-Dec	82.45	83.1	81.71	82.77	-0.73
14-Mar	84	84	82.85	83.49	-0.85

Pakistan Cotton Spot rates: As on 12/02/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6250	155	6405
Equivalent	40 Kgs	6698	155	6853

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