

## Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Friday.
- 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	5	814.50	832.00	814.50	832.00
Apr-13	7	912	921.5	906	916.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	3.9	869	872	864.2	869.6
Apr-13	6.2	918	922	910	917.6

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	0	13	0
Apr-13	8528	-194	12259	-194

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	307	-44	1355	23
Apr-13	913	114	1946	-18

Spread	Feb-13	Apr-13
Basis	60	
Feb-13		46
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	0.4	
Feb-13		48
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	0.29	17140	17210	17070	17150
29-Mar-13	0.29	17450	17510	17390	17450
30-Apr-13	0.23	17740	17780	17690	17740
31-May-13	0.17	18040	18050	17980	18020
28-Jun-13	0.16	18320	18350	18240	18290

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	15-2-2013	14-2-2013	
Amravati-Vunni Mech-1#	4100	Closed	-
Kadi-Bt Cotton#	4300	4250	50
Ahmedabad-Shankar-6#	4375	4350	25
Gondal	4280	4280	Unch
Rajkot-(B.T)	4330	4330	Unch
Abohar-J-34*	3830	3800	30
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	3850	3810	40
	4450	4400	50
Fajlika #(Cotton New) #(Kapas BT Cotton)	3800	3800	Unch
	4550	4490	60
Khandwa-(M.P)	-	4100	-
Khargaon-(M.P)	-	4100	-
Sri-Ganganagar	3750	3630	120

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	15-2-2013	14-2-2013	
Amravati -Vunni Mech-1#	3000	-	-
Kadi -Bt Cotton	35000	55000	-20000
Ahmedabad - Shankar-6#	40000	43000	-3000
Gondal	573	1088	-515
Rajkot-(B.T)	2100	2500	-400
Abohar-J-34*	300	400	-100
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	-	-	-
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1000	1300	-300
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	2000	4000	-2000

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 (14/02/2013)	Rs. Per Candy (13/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33900	<b>-200</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34700	34700	<b>Unch</b>
J-34(202)	26mm	3.5 - 4.9	23	34800	34800	<b>Unch</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33900	33900	<b>Unch</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	34400	34400	<b>Unch</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35100	35100	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35900	35900	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	45800	45800	<b>Unch</b>

**Cotlook Index: As on 14/02/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	88.90	<b>-0.50</b>

**China Cotton Index: As on 07/02/2013**

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

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

**USDA Cotton Spot Rates: As on 14/02/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	78.79	82.04	<b>2569</b>
North Delta	77.79	80.29	<b>NIL</b>
South Delta	77.79	80.29	<b>NIL</b>
East TX-OK	73.5	76.25	<b>74</b>
West Texas	73.5	76.75	<b>870</b>
Desert SW	75.79	82.29	<b>NIL</b>
SJ Valley	76.54	87.19	<b>NIL</b>

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 14/02/2013**

Contract	Open	High	Low	Close	Change
<b>13-Mar</b>	80.75	81.64	80.64	81.02	<b>0.2</b>
<b>13-May</b>	82.23	83.26	82.16	82.79	<b>0.58</b>
<b>13-Jul</b>	83.2	84.17	83.11	83.71	<b>0.51</b>
<b>13-Oct</b>	84.11	84.11	83.65	83.65	<b>0.39</b>
<b>13-Dec</b>	82.5	83.26	82.5	83	<b>0.23</b>
<b>14-Mar</b>	83.5	83.69	83.5	83.69	<b>0.2</b>

**Pakistan Cotton Spot rates: As on 14/02/2013 (in Pakistan Rupees)**

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

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