

## Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Saturday except Kadi market.
- 58.2 % of the production has arrived in the markets. Total arrivals reported are around 190 lakh bales thus far from the estimated 327 lakh bales production for the season.
- Export buying is keeping the market firm though there is no flare-up in the domestic prices.
- Exports in the month of January, 2013 stood at 45 lakh bales.
- 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.

## Cotton International Fundamentals

- China will be releasing cotton import quota of 682,000 tonnes under the tariff rate quota and Indian cotton could get a sizeable chunk of it.
- 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.

**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	10	826.00	832.50	826.00	832.50
Apr-13	9	919	926	912.5	924.50

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	5	3	12	-1
Apr-13	8922	43	12302	43

### Spread Feb-13 Apr-13

Basis	60	
Feb-13		54.5
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	6.6	873	878.4	868.1	877.2
Apr-13	7.3	922	927	914.5	924.70

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	149	-158	1323	-32
Apr-13	591	-322	1910	-36

### Spread Feb-13 Apr-13

Basis	-7.2	
Feb-13		47.5
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	0.76	17180	17280	17130	17280
29-Mar-13	0.69	17490	17580	17430	17570
30-Apr-13	0.85	17740	17890	17730	17890
31-May-13	0.72	17980	18140	17980	18140
28-Jun-13	0.66	18280	18390	18280	18390

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	16-2-2013	15-2-2013	
Amravati-Vunni Mech-1#	4150	4100	+50
Kadi-Bt Cotton#	4250	4300	-50
Ahmedabad-Shankar-6#	4400	4375	+25
Gondal	4375	4280	+95
Rajkot-(B.T)	4400	4330	+70
Abohar-J-34*	3850	3830	+20
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	3850	3850	Unch
	4450	4450	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	3810	3800	+10
	4560	4550	+10
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3750	3750	Unch

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	16-2-2013	15-2-2013	
Amravati -Vunni Mech-1#	4500	3000	+1500
Kadi -Bt Cotton	25000	35000	-10000
Ahmedabad - Shankar-6#	40000	40000	Unch
Gondal	688	573	+115
Rajkot-(B.T)	2550	2100	+450
Abohar-J-34*	100	300	-200
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	-	-	-
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	500	1000	-500
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	2000	2000	Unch

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

**Cotton Association of India Spot Rates: 15/02/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (15/02/2013)	Rs. Per Candy (14/02/2013)	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	34700	34700	Unch
J-34(202)	26mm	3.5 - 4.9	23	35000	34800	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34100	33900	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	34600	34400	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35300	35100	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36100	35900	+200
DCH-32(107)	34mm	3.0 - 3.8	33	46100	45800	+300

**Cotlook Index: As on 15/02/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	89.30	+0.40

**China Cotton Index: As on 16/02/2013**

Index	RMB/Ton	Change
CCIndex(328)	19273	+2
CCIndex(527)	16913	+2
CCIndex(229)	20030	Unch

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	2569
North Delta	77.79	80.29	NIL
South Delta	77.79	80.29	NIL
East TX-OK	73.5	76.25	74
West Texas	73.5	76.75	870
Desert SW	75.79	82.29	NIL
SJ Valley	76.54	87.19	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 15/02/2013**

Contract	Open	High	Low	Close	Change
<b>13-Mar</b>	81.07	82.12	80.55	81.32	<b>0.3</b>
<b>13-May</b>	82.59	83.86	82.36	83.19	<b>0.4</b>
<b>13-Jul</b>	83.7	84.64	83.31	84.05	<b>0.34</b>
<b>13-Oct</b>	83.83	83.83	83.83	83.83	<b>0.18</b>
<b>13-Dec</b>	82.87	83.69	82.67	83.25	<b>0.25</b>
<b>14-Mar</b>	83.51	83.8	83.51	83.8	<b>0.11</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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