

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Monday except Fazilika 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	12	840.00	841.00	840.00	841.00
Apr-13	14	927	942	927	938.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	-3	11	-1
Apr-13	11900	-234	12068	-234

Spread Feb-13 Apr-13

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	13.3	882.4	894	881	890.5
Apr-13	11.9	929.5	939.9	929.5	936.60

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	359	210	1302	-21
Apr-13	1060	469	1796	-114

Spread Feb-13 Apr-13

Spread	Feb-13	Apr-13
Basis	-20.5	
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	0.64	17340	17400	17280	17360
29-Mar-13	0.63	17640	17720	17590	17670
30-Apr-13	0.56	17980	18000	17880	17960
31-May-13	0.61	18200	18250	18150	18230
28-Jun-13	0.82	18430	18510	18430	18500

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	18-2-2013	16-2-2013	
Amravati-Vunni Mech-1#	-	4150	-
Kadi-Bt Cotton#	4300-4500	4250	+250
Ahmedabad-Shankar-6#	4300-4450	4400	+50
Gondal	-	4375	-
Rajkot-(B.T)	4350-4515	4400	+70
Abohar-J-34*	3905	3850	+55
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3905	3850	+55
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	4450	-
	3900-3910	3810	+100
	4710	4560	-150
Khandwa-(M.P)	4150-4300	-	-
Khargaon-(M.P)	4150-4300	-	-
Sri-Ganganagar	3810	3750	+60

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	18-2-2013	16-2-2013	
Amravati -Vunni Mech-1#	-	4500	-
Kadi -Bt Cotton	15000	25000	-10000
Ahmedabad - Shankar-6#	30000	40000	-10000
Gondal	-	688	-
Rajkot-(B.T)	3000	2550	+450
Abohar-J-34*	200	100	+200
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1000	500	+500
Khandwa (M.P)	4000	-	-
Khargaon-(M.P)	7000	-	-
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 18/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19280	+5
CCIndex(527)	16917	+2
CCIndex(229)	20035	+2

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

USDA Cotton Spot Rates: As on 15/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.19	82.44	1004
North Delta	78.19	80.69	NIL
South Delta	78.19	80.69	NIL
East TX-OK	74.00	76.75	615
West Texas	74.00	77.25	2255
Desert SW	76.19	82.69	NIL
SJ Valley	76.94	87.59	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
13-Mar	81.07	82.12	80.55	81.32	0.3
13-May	82.59	83.86	82.36	83.19	0.4
13-Jul	83.7	84.64	83.31	84.05	0.34
13-Oct	83.83	83.83	83.83	83.83	0.18
13-Dec	82.87	83.69	82.67	83.25	0.25
14-Mar	83.51	83.8	83.51	83.8	0.11

Pakistan Cotton Spot rates: As on 16/02/2013 (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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