

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Wednesday except Gondal.
- Cotton prices are shooting up as farmers are holding crop, millers and ginner are buying in last leg of the season. Earlier millers were waiting for the prices to come down, that resulted in less buying of stocks.
- Strong demand is expected to arrive in the as Chinese import quota are announced officially.
- 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.

Cotton International Fundamentals

- Chinese, cotton import source, US, India, Australia, Brazil and Uzbekistan were the top five in 2012.
- 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	26	850.00	866.00	850.00	866.00
Apr-13	34	928	963	927	960.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	32.9	887	920.5	887	918.00
Apr-13	32	930	962.9	929.2	960.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	2	10	-1
Apr-13	19074	-1683	10572	-1683

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	767	513	1234	-55
Apr-13	1351	803	1668	-146

Spread	Feb-13	Apr-13
Basis	40	
Feb-13		70
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	-28	
Feb-13		42
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	2.25	17380	17720	17370	17710
29-Mar-13	2.21	17700	18060	17690	18030
30-Apr-13	2.29	17980	18370	17980	18350
31-May-13	2.08	18330	18650	18300	18620
28-Jun-13	2.16	18580	18920	18580	18900

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	20-2-2013	19-2-2013	
Amravati–Vunni Mech-1#	4275	4250	25
Kadi–Bt Cotton#	4450	4400	50
Ahmedabad–Shankar-6#	4500	-	-
Gondal	4525	4555	-30
Rajkot-(B.T)	4625	4585	40
Abohar–J-34*	3910	3890	20
Muktsar–J-34 *(Cotton) #(Kapas BT Cotton)	3925	3900	25
	4600	4600	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	3900	3890	10
	4800	4790	10
Khandwa-(M.P)	4335	4290	45
Khargaon-(M.P)	4335	4290	45
Sri-Ganganagar	3800	3800	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	20-2-2013	19-2-2013	
Amravati –Vunni Mech-1#	4000	4000	Unch
Kadi –Bt Cotton	25000	35000	-10000
Ahmedabad – Shankar-6#	30000	-	-
Gondal	951	870	81
Rajkot-(B.T)	2400	2000	400
Abohar–J-34*	300	300	Unch
Muktsar–J-34 *(Cotton) #(Kapas BT Cotton)	200	200	Unch
	-	-	-
Fajlika #(Cotton New)	-	-	-

#(Kapas BT Cotton)	600	800	-200
Khandwa (M.P)	3500	3500	Unch
Khargaon-(M.P)	8000	9000	-1000
Sri-Ganganagar	3000	3000	Unch

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

Cotton Association of India Spot Rates: 19/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (19/02/2013)	Rs. Per Candy (18/02/2013)	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	34900	34900	Unch
J-34(202)	26mm	3.5 - 4.9	23	35400	35600	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34500	34500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	35000	35000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35700	35700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36700	36700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	46800	46800	Unch

Cotlook Index: As on 19/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.80	Unch

China Cotton Index: As on 20/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19288	+3
CCIndex(527)	16924	+2
CCIndex(229)	20040	+2

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

USDA Cotton Spot Rates: As on 19/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	80.13	83.38	7147
North Delta	79.13	81.63	NIL
South Delta	79.13	81.63	NIL
East TX-OK	75	77.75	883
West Texas	75	78.25	3585
Desert SW	77.13	83.63	NIL
SJ Valley	77.88	88.53	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 19/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	81.5	82.95	81.22	82.18	0.86
13-May	83.26	84.87	83.06	84.13	0.94
13-Jul	83.75	85.59	83.75	84.95	0.9
13-Oct	84.88	84.88	84.88	84.88	1.05
13-Dec	83	84	83	83.83	0.58
14-Mar	84	84.02	84	84.02	0.22

Pakistan Cotton Spot rates: As on 19/02/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6350	155	6505
Equivalent	40 Kgs	6805	155	6960

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