

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Thursday except Muktsar.
- Arrivals of 225 lakh bales have already reached markets.
- 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	0	0.00	0.00	0.00	0.00
Apr-13	-10.5	958	962	947	950.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	-9.2	912.4	917.8	891	909
Apr-13	-9	953	961.1	947.7	951.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-2	9	-1
Apr-13	13596	172	10744	172

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	466	-301	1225	-9
Apr-13	1140	-211	1627	-41

Spread	Feb-13	Apr-13
Basis	40	
Feb-13		60
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	-19	
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	-0.57	17630	17630	17460	17590
29-Mar-13	-0.61	17960	17960	17790	17910
30-Apr-13	-0.6	18260	18280	18130	18230
31-May-13	-0.64	18450	18560	18430	18500
28-Jun-13	-0.64	18740	18840	18740	18770

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	21-2-2013	20-2-2013	
Amravati–Vunni Mech-1#	4300	4275	25
Kadi–Bt Cotton#	4450	4450	Unch
Ahmedabad–Shankar-6#	4675	4500	175
Gondal	4655	4525	130
Rajkot-(B.T)	4690	4625	65
Abohar–J-34*	3990	3910	80
Muktsar–J-34 *(Cotton) #(Kapas BT Cotton)	3885	3925	-40
	4800	4600	200
Fajlika #(Cotton New) #(Kapas BT Cotton)	3900	3900	Unch
	4903	4800	103
Khandwa-(M.P)	4350	4335	15
Khargaon-(M.P)	4350	4335	15
Sri-Ganganagar	3800	3800	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	21-2-2013	20-2-2013	
Amravati –Vunni Mech-1#	3000	4000	-1000
Kadi –Bt Cotton	35000	25000	10000
Ahmedabad – Shankar-6#	30000	30000	Unch
Gondal	619	951	-332
Rajkot-(B.T)	2000	2400	-400
Abohar–J-34*	200	300	-100
Muktsar–J-34 *(Cotton) #(Kapas BT Cotton)	250	200	50
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	350	600	-250
Khandwa (M.P)	3500	3500	Unch

Khargaon-(M.P)	6000	8000	-2000
Sri-Ganganagar	2000	3000	-1000

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

Cotton Association of India Spot Rates: 20/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (20/02/2013)	Rs. Per Candy (19/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34100	33900	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	34900	+200
J-34(202)	26mm	3.5 - 4.9	23	35700	35400	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34600	34500	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	35600	35000	+600
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35900	35700	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37200	36700	+500
DCH-32(107)	34mm	3.0 - 3.8	33	46800	46800	Unch

Cotlook Index: As on 20/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.70	+0.90

China Cotton Index: As on 21/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19293	+5
CCIndex(527)	16926	+2
CCIndex(229)	20042	+2

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

USDA Cotton Spot Rates: As on 20/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	80.46	83.71	8155
North Delta	79.46	81.96	NIL
South Delta	79.46	81.96	NIL
East TX-OK	75.5	78.5	6759
West Texas	75.5	78.75	3803
Desert SW	77.46	83.96	NIL
SJ Valley	78.21	88.86	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 20/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	82.1	83.25	81.88	82.28	0.1
13-May	83.96	85.24	83.96	84.46	0.33
13-Jul	84.85	85.95	84.83	85.42	0.47
13-Oct	84.92	84.92	84.92	84.92	0.04
13-Dec	83.71	84.75	83.7	84.27	0.44
14-Mar	84.5	84.6	84.17	84.17	0.15

Pakistan Cotton Spot rates: As on 20/02/2013 (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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