

## Cotton Domestic Fundamentals:

- Cotton prices continued firm tone on Monday except Mutasar and Rajkot.
- Lower arrivals and good buying by millers supported the market.
- Arrivals in North India were reported to be around 5000 bales amid rains in certain areas.
- According to trade sources in Gujarat, there was good buying by exporters in the region.
- Inter ministerial committee have decided to keep cotton export policy unchanged under current circumstances where arrivals are falling with increasing prices and good export demand.

## 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.
- According to USDA, the U.S. cotton crop is projected to fall sharply to about 14.0 million bales in 2013/14, accounting for most of the expected decline in world production, as producers shift area to corn and soybeans following the historic mid-western drought of summer 2012. Accordingly, U.S. cotton stocks, which are estimated to rise in 2012/13, are expected to tighten again in 2013/14.

**Outlook:** We expect domestic cotton prices to continue steady to firm tone on good buying by millers.

### 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	-24.5	1002	1018	974	978.50

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

Contract	+/-	Open	High	Low	Close
Feb-13	-23.7	955.2	980.4	930.8	933.00
Apr-13	-22.4	998.5	1026	975.7	979.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-11	7	-1
Apr-13	24126	99	11597	99

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	896	319	1361	50
Apr-13	2594	950	1523	39

Spread	Feb-13	Apr-13
Basis	-112	
Feb-13		-3
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	67	
Feb-13		46
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	-1.11	18000	18120	17660	17810
29-Mar-13	-1.09	18320	18420	17940	18110
30-Apr-13	-1.13	18660	18740	18270	18410
31-May-13	-1.27	18940	19010	18560	18670
28-Jun-13	-1.2	19200	19300	18800	18920

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	25-2-2013	23-2-2013	
Amravati-Vunni Mech-1#	4650	4450	200
Kadi-Bt Cotton#	5000	4700	300
Ahmedabad-Shankar-6#	4900	4900	Unch
Gondal	4970	-	-
Rajkot-(B.T)	4905	4925	-20
Abohar-J-34*	4040	4030	10
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	4035	4040	-5
	4850	5000	-150
Fajlika #(Cotton New) #(Kapas BT Cotton)	4000	4000	Unch
	4975	4950	25
Khandwa-(M.P)	-	Closed	-
Khargaon-(M.P)	-	Closed	-
Sri-Ganganagar	3940	3925	15

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	25-2-2013	23-2-2013	
Amravati -Vunni Mech-1#	3000	2000	1000
Kadi -Bt Cotton	10000	20000	-10000
Ahmedabad - Shankar-6#	25000	25000	Unch
Gondal	1504	-	-
Rajkot-(B.T)	2250	2100	150
Abohar-J-34*	-	-	-
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	150	-	-
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	100	200	-100
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	1000	1000	Unch

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

## Cotton Association of India Spot Rates: 23/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (23/02/2013)	Rs. Per Candy (22/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34600	34100	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35600	35100	+500
J-34(202)	26mm	3.5 - 4.9	23	36800	36300	+500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	35300	34800	+500
Shankar-6(105)	29mm	3.5 - 4.9	28	36500	36000	+500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36600	36100	+500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	38000	37400	+600
DCH-32(107)	34mm	3.0 - 3.8	33	47300	46800	+500

## Cotlook Index: As on 22/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.90	-1.00

## China Cotton Index: As on 25/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19306	+9
CCIndex(527)	16929	Unch
CCIndex(229)	20051	+4

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

## USDA Cotton Spot Rates: As on 22/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.64	82.89	2532
North Delta	78.14	80.64	NIL
South Delta	78.14	80.64	NIL
East TX-OK	75.75	78.75	153
West Texas	75.75	79	1379
Desert SW	76.14	82.64	NIL
SJ Valley	76.89	87.54	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 22/02/2013**

Contract	Open	High	Low	Close	Change
13-Mar	81.3	82.24	81.12	81.39	0.08
13-May	83.18	84.16	82.76	83.14	-0.09
13-Jul	84.11	85.04	83.68	84.01	-0.17
13-Oct	84.56	84.56	84.56	84.56	0.36
13-Dec	83.5	84.07	83.25	83.64	0.02
14-Mar	83.52	83.52	83.52	83.52	0.1

**Pakistan Cotton Spot rates: As on 22/02/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6400	155	6555
Equivalent	40 Kgs	6859	155	7014

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