

Cotton Domestic Fundamentals:

- Cotton prices showed strong tone on Friday except Patan.
- In February 2013 Cotton Exports stood around 20.6 lakh bales. Also, Cotton Imports in February 2013 stood around 7 lakh bales.
- 260 lakh bales have arrived in the market till date, according to market sources.
- Textile industry is asking CCI and other state agencies to release the cotton which was procured at MSP, to stabilize the domestic prices. CCI is said to have procured around 22 lakh bales of cotton.
- According to reports CCI has procured 21.5 million bales from A.P of total 72 million bales projected. Private millers and stockiest have taken over 60 percent of the stocks from the market.
- China decision to import additional 40 lakh bales from major importing countries has spurred up the prices in local markets.

Cotton International Fundamentals

- Australian cotton projection for 2013-14 is lower by 9 lakh bales, as area under cotton planting is likely to be down.
- US cotton futures rises 10 month high as speculations of higher exports of cotton, it is expected to be raised in USDA report. As China, world largest textile maker is importing good quantity of yarn.
- Global cotton production for 2013-14 is projected at 115.5 million bales of 218kg each, down by three percent as compared to the last fiscal year as relatively lower cotton market prices are expected to cause a shift in cultivated area from cotton to more profitable alternatives, according to the USDA's Agricultural Outlook 2013.

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
Mar-13	0	0.00	0.00	0.00	0.00
Apr-13	5.5	967	974	957.5	970.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	0	0	1	0
Apr-13	9986	231	12010	231

Spread Feb-13 Apr-13

Basis	-112
Mar-13	-3
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
Mar -13	7.6	905.6	915	898	913.4
Apr-13	5.6	968	973.8	959.7	971.2

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	334	132	1133	-32
Apr-13	955	226	1638	-39

Spread Feb-13 Apr-13

Basis	86.6
Mar -13	57.8
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
29-Mar-13	0.49	18590	18660	18520	18640
30-Apr-13	0.48	18930	18990	18830	18970
31-May-13	0.52	19250	19290	19140	19280
28-Jun-13	0.52	19440	19520	19370	19510
31-Jul-13	0.41	19150	19700	19150	19700

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	08-3-2013	07-3-2013	
Amravati-Vunni Mech-1#	4750	4700	50
Kadi-Bt Cotton#	5000	4850	150
Abohar-J-34*	4220	4170	50
Muktsar-J-34 *(Cotton)	4225	4175	50
#(Kapas BT Cotton)	5050	5000	50
Ahmedabad-Shankar-6#	5000	4950	50
Fajlika #(Cotton New)	4210	4125	85
#(Kapas BT Cotton)	5100	5050	50
Khandwa-(M.P)	4850	4820	30
Khargaon-(M.P)	4850	4820	30
Gondal	5000	4935	65
Rajkot-(B.T)	4910	4875	35
Sri-Ganganagar	4130	4070	60
Patan(B.T. Cotton)	4820	4835	-15

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	08-3-2013	07-3-2013	
Amravati -Vunni Mech-1#	1500	2000	-500
Kadi -Bt Cotton	25000	12500	12500
Abohar-J-34*	500	300	200
Muktsar-J-34 #(Kapas BT Cotton)	400	300	100
Ahmedabad - Shankar-6#	25000	30000	-5000
Fajlika #(Kapas BT Cotton)	1200	800	400
Khandwa (M.P)	2500	2000	500
Khargaon-(M.P)	10000	10000	Unch
Gondal	840	934	-94
Rajkot-(B.T)	4400	4200	200

Sri-Ganganagar	3000	3000	Unch
Patan(B.T. Cotton)	8028	7217	811

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

Cotton Association of India Spot Rates: 07/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (07/03/2013)	Rs. Per Candy (06/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	35800	+300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37100	36800	+300
J-34(202)	26mm	3.5 - 4.9	23	38000	37800	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37000	36700	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	37700	37400	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38000	37700	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	46800	46800	Unch

Cotlook Index: As on 07/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.60	+0.30

China Cotton Index: As on 08/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19344	+2
CCIndex(527)	16970	+2
CCIndex(229)	20062	Unch

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

USDA Cotton Spot Rates: As on 07/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84	87.25	983
North Delta	82.75	85.25	NIL
South Delta	82.75	85.25	NIL
East TX-OK	78	81	1831
West Texas	78	81.25	2148
Desert SW	80	86.5	NIL
SJ Valley	80.75	91.4	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 07/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	86.09	86.23	86.09	86.23	0.26
13-May	87.24	87.25	86.21	86.5	-0.74
13-Jul	87.75	87.89	86.9	87.08	-0.88
13-Oct	86.01	86.01	86.01	86.01	-0.51
13-Dec	86.04	86.07	85.12	85.98	-0.33
14-Mar	85.07	85.78	84.99	85.78	-0.22

Pakistan Cotton Spot rates: As on 07/03/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6600	155	6755
Equivalent	40 Kgs	7073	155	7228

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