

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Monday.
- Lack of stocks in the ready market lent some support to prices.
- Weakness in the domestic futures weighed on prices.
- Margins for spinners is likely to be less amid higher cost of raw material.
- Buyers are reluctant to purchase around higher levels and are expecting correction in the near –term.
- In North India, arrival of 15000 bales is reported according to 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.
- Textile mills are importing cotton at a minimum premium of 5 cents a pound for West African Cotton to meet domestic demand and export commitment.

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.
- Prices are firming up in Brazil amid good export demand.
- Cotton prices in Pakistan reached to two and a half year high following shortage of quality cotton in the domestic market and firm tone in the overseas markets.
- According to USDA, world inventories will total 81.74 million bales in the year ending July 31, down from the February estimate of 81.86 million bales.

Outlook: We expect domestic cotton prices to notice sideways to firm tone in the near –term amid lack of stocks in the ready market.

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

Contract	+/-	Open	High	Low	Close
Mar-13	-26	840.00	840.50	840.00	840
Apr-13	-12.5	977	981	962	966

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	3	0	2	0
Apr-13	9359	491	12488	491

Spread Feb-13 Apr-13

Basis	-180	
Mar-13		-54
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	-8	920	921.1	911	912.50
Apr-13	-11.3	984.9	984.9	965.2	968.5

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	221	36	1099	-21
Apr-13	1181	247	1727	94

Spread Feb-13 Apr-13

Basis	107.5	
Mar -13		56
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	-1.23	18700	18830	18480	18510
30-Apr-13	-1.26	19000	19150	18800	18830
31-May-13	-1.24	19420	19480	19140	19170
28-Jun-13	-1.17	19620	19670	19390	19410
31-Jul-13	-1.01	19800	19900	19640	19640

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	11-3-2013	09-3-2013	
Amravati-Vunni Mech-1#	4900	4800	100
Kadi-Bt Cotton#	5050	5050	Unch
Abohar-J-34*	4225	4235	-10
Muktsar-J-34 *(Cotton)	4225	4260	-35
*(Kapas BT Cotton)	5025	5100	-75
Ahmedabad-Shankar-6#	5100	5050	50
Fajlika *(Cotton New)	4180	-	-
*(Kapas BT Cotton)	5000	-	-
Khandwa-(M.P)	Closed	-	-
Khargaon-(M.P)	Closed	-	-
Gondal	5040	4950	90
Rajkot-(B.T)	5025	5005	20
Sri-Ganganagar	4130	4180	-50
Patan(B.T. Cotton)	5005	4885	120

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	11-3-2013	09-3-2013	
Amravati -Vunni Mech-1#	1000	1500	-500
Kadi -Bt Cotton	25000	25000	Unch
Abohar-J-34*	300	400	-100
Muktsar-J-34 *(Kapas BT Cotton)	200	400	-200
Ahmedabad - Shankar-6#	21000	25000	-4000
Fajlika *(Kapas BT Cotton)	1025	-	-
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	900	863	37
Rajkot-(B.T)	3100	3800	-700
Sri-Ganganagar	2000	3000	-1000
Patan(B.T. Cotton)	7200	7932	-732

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

Cotton Association of India Spot Rates: 09/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (09/03/2013)	Rs. Per Candy (08/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36600	36100	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37600	37100	+500
J-34(202)	26mm	3.5 - 4.9	23	38900	38500	+400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37600	37300	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	38300	38000	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38800	38500	+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 08/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.00	-0.60

China Cotton Index: As on 11/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19346	+2
CCIndex(527)	16972	+2
CCIndex(229)	20063	+1

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

USDA Cotton Spot Rates: As on 08/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.38	87.63	3
North Delta	83.13	85.63	NIL
South Delta	83.13	85.63	NIL
East TX-OK	79	82	370
West Texas	79	82.25	1188
Desert SW	80.38	86.88	NIL
SJ Valley	81.13	91.78	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 08/03/2013

Contract	Open	High	Low	Close	Change
----------	------	------	-----	-------	--------

13-Mar	86.17	88.78	86.1	86.88	0.38
13-May	86.79	89.16	86.79	87.57	0.49
13-Jul	86.57	86.57	86.57	86.57	0.56
13-Oct	85.78	86.65	85.08	86.39	0.41
13-Dec	85.97	86.08	85.02	86.08	0.3
14-Mar	86	86.05	85.48	86.05	0.14

Pakistan Cotton Spot rates: As on 09/03/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6750	155	6905
Equivalent	40 Kgs	7234	155	7389

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2013 Indian Agribusiness Systems Pvt Ltd.