

Cotton Domestic Fundamentals:

- Cotton prices noticed weak tone on Tuesday.
- Lack of buying around current levels weighed on prices.
- Arrivals increased in various mandis.
- Buyers are looking for better prices in the coming days.
- Overall tone is positive amid lower supply in the domestic market.
- Imports of cotton from Africa added to the weak tone of the market.
- According to CCI, till date around 22.56 million bales of cotton has arrived in the country.
- 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.
- Cotton futures at NYMEX closed lower amid profit –booking around higher levels.
- 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 weak tone amid lack of buying around current levels.

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

Contract	+/-	Open	High	Low	Close
Mar-13	-26	840.00	840.50	840.00	840
Apr-13	-3	963	973	958.5	962

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	3	0	2	0
Apr-13	8296	-59	12429	-59

Spread Feb-13 Apr-13

Basis	-170	
Mar-13		-48
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	-0.4	910.1	916	909	911.50
Apr-13	-4.3	965	975	961.2	963.5

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	245	24	1039	-60
Apr-13	888	-293	1712	-15

Spread Feb-13 Apr-13

Basis	98.5	
Mar -13		52
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	-0.27	18440	18590	18410	18460
30-Apr-13	-0.32	18760	18910	18720	18770
31-May-13	-0.21	19100	19240	19080	19120
28-Jun-13	-0.26	19450	19480	19330	19360
31-Jul-13	-0.56	19660	19660	19570	19570

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	12-3-2013	11-3-2013	
Amravati-Vunni Mech-1#	4900	4900	Unch
Kadi-Bt Cotton#	5010	5050	-40
Abohar-J-34*	4175	4225	-50
Muktsar-J-34 *(Cotton)	4180	4225	-45
*(Kapas BT Cotton)	5000	5025	-25
Ahmedabad-Shankar-6#	5050	5100	-50
Fajlika *(Cotton New)	4150	4180	-30
*(Kapas BT Cotton)	4880	5000	-120
Khandwa-(M.P)	-	Closed	-
Khargaon-(M.P)	-	Closed	-
Gondal	4950	5040	-90
Rajkot-(B.T)	4950	5025	-75
Sri-Ganganagar	4080	4130	-50
Patan(B.T. Cotton)	4920	5005	-85

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	12-3-2013	11-3-2013	
Amravati -Vunni Mech-1#	2000	1000	1000
Kadi -Bt Cotton	25000	25000	Unch
Abohar-J-34*	500	300	200
Muktsar-J-34 *(Kapas BT Cotton)	250	200	50
Ahmedabad - Shankar-6#	20000	21000	-1000
Fajlika *(Kapas BT Cotton)	1300	1025	275
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	951	900	51
Rajkot-(B.T)	3100	3100	Unch
Sri-Ganganagar	4000	2000	2000
Patan(B.T. Cotton)	6850	7200	-350

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

Cotton Association of India Spot Rates: 11/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (11/03/2013)	Rs. Per Candy (09/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	36600	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37100	37600	-500
J-34(202)	26mm	3.5 - 4.9	23	38600	38900	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37800	37600	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	38400	38300	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39200	38800	+400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	47800	46800	+1000

Cotlook Index: As on 11/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.50	+0.50

China Cotton Index: As on 12/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19349	+3
CCIndex(527)	16973	+1
CCIndex(229)	20065	+2

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

USDA Cotton Spot Rates: As on 11/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.22	87.47	NIL
North Delta	82.97	85.47	NIL
South Delta	82.97	85.47	NIL
East TX-OK	78.75	81.75	239
West Texas	78.75	82	NIL
Desert SW	80.22	86.72	NIL
SJ Valley	80.97	91.62	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 11/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	86.92	87.41	85.59	86.72	-0.16
13-May	87.56	88.05	86.2	87.49	-0.08
13-Jul	86.94	86.94	86.94	86.94	0.37
13-Oct	86.01	86.8	85.35	86.68	0.29
13-Dec	85.35	86.1	85.35	86.1	0.02
14-Mar	85.5	86.05	85.5	85.9	-0.15

Pakistan Cotton Spot rates: As on 11/03/2013 (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

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