

Cotton Domestic Fundamentals:

- Cotton prices noticed weak tone on Wednesday.
- Mills viewed early lower prices as an opportunity to buy and pushed the market to recover from the session's initial losses.
- 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.

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	5	890.00	890.00	890.00	890.00
Apr-13	8	963	972	956	968.50

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

Contract	+/-	Open	High	Low	Close
Mar -13	3.4	911	916.3	908.3	913.6
Apr-13	7.1	968	972.8	959	970.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	1	-2	1	-1
Apr-13	9392	-646	11783	-646

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	143	-102	1020	-19
Apr-13	960	72	1667	-45

Spread Feb-13 Apr-13

Basis	-160	
Mar-13		-38
April-13		

Spread Feb-13 Apr-13

Basis	88.5	
Mar -13		52
April-13		

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

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Contract	% Change	Open	High	Low	Close
29-Mar-13	0.98	18520	18670	18440	18640
30-Apr-13	0.96	18830	18990	18760	18970
31-May-13	0.89	19190	19310	19090	19290
28-Jun-13	0.88	19440	19560	19340	19530
31-Jul-13	0.97	19680	19790	19600	19790

Cotton Prices at Key Spot Markets

Centre	Prices (Rs/Qtl)		Change
	13-3-2013	12-3-2013	
Amravati-Vunni Mech-1#	4800	4900	-100
Kadi-Bt Cotton#	5000	5010	-10
Abohar-J-34*	4180	4175	5
Muktsar-J-34 *(Cotton)	4185	4180	5
*(Kapas BT Cotton)	5000	5000	Unch
Ahmedabad-Shankar-6#	5000	5050	-50
Fajlika *(Cotton New)	4130	4150	-20
*(Kapas BT Cotton)	4886	4880	6
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	4905	4950	-45
Rajkot-(B.T)	4900	4950	-50
Sri-Ganganagar	4070	4080	-10
Patan(B.T. Cotton)	4925	4920	5

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

Cotton Arrivals in Key Centers

Centre (In Qntl)	Arrivals		Change
	13-3-2013	12-3-2013	
Amravati -Vunni Mech-1#	3000	2000	1000
Kadi -Bt Cotton	20000	25000	-5000
Abohar-J-34*	500	500	Unch
Muktsar-J-34 *(Kapas BT Cotton)	300	250	50
Ahmedabad - Shankar-6#	20000	20000	Unch
Fajlika *(Kapas BT Cotton)	1200	1300	-100
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	730	951	-221
Rajkot-(B.T)	3500	3100	400
Sri-Ganganagar	4000	4000	Unch
Patan(B.T. Cotton)	6171	6850	-679

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

Cotton Association of India Spot Rates: 12/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (12/03/2013)	Rs. Per Candy (11/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	36100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37100	37100	Unch
J-34(202)	26mm	3.5 - 4.9	23	38100	38600	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37700	37800	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	38200	38400	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39200	39200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	47800	47800	Unch

Cotlook Index: As on 12/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.45	-0.05

China Cotton Index: As on 13/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19351	+2
CCIndex(527)	16977	+4
CCIndex(229)	20068	+3

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

USDA Cotton Spot Rates: As on 12/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.83	88.08	2231
North Delta	83.58	86.08	NIL
South Delta	83.58	86.08	NIL
East TX-OK	79.5	82.5	NIL
West Texas	79.5	82.75	293
Desert SW	80.83	87.33	NIL
SJ Valley	81.58	92.23	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 12/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	86.6	87.74	86.23	87.33	0.61
13-May	87.69	88.49	87.05	88.16	0.67
13-Jul	87.54	87.54	87.54	87.54	0.6
13-Oct	86.65	86.99	86.11	86.96	0.28
13-Dec	85.85	86.09	85.79	86.09	-0.01
14-Mar	85.75	85.89	85.63	85.89	-0.01

Pakistan Cotton Spot rates: As on 12/03/2013 (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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