

Cotton Domestic Fundamentals:

- Cotton prices noticed firm tone on Friday except Kadi, Patan and Ganganagar.
- Cotton textile exports set to grow at 9 percent to \$9.56 billion in the current fiscal year.
- Domestic spot prices have hit highest of the current season with benchmark Shankar-6 candy at Rs.38, 500. This is due to rising demand from China, falling arrivals, holding of stocks by state agencies and stockiest. Chinese demand which has been growing, has allocated as much as 52.5 lakh bales of import quotas earlier in February 2013.
- As per latest reports, China will issue extra cotton import quotas to textile mills by around April, most of which will be issued to textile mills that export their products.
- According to sources, a total of 7.5 million bales are said to be registered with the Directorate General of Foreign Trade for exports.

Cotton International Fundamentals

- Brazil ginning mills compete for cotton Quality fiber scarce after rain damaged last season crop. Brazil produces enough for domestic consumption but export enquires are being raised in US to Import as domestic prices are nearly touching international prices. \$81 cents a pound.
- Cotton future reached 91 cents a pound in US which has not deferred mills from buying.
- Eyeing arbitrage, many leading multinational trading companies from India have started buying and stocking the commodity for exports which has also pushed up the prices. This is because the Chinese government is forcing local mills to buy cotton at \$120 cents per pound from the state agency, priced significantly higher than international benchmarks. As these mills pay about \$90 cents a pound for Indian cotton.
- Cotton International Futures reached 10 month high on increasing US exports and Chinese demand. U.S. exports of upland cotton since the start of August reached 6.77 million bales as of March 7, up from 5.59 million bales a year earlier, the U.S. Department of Agriculture reported today. Weekly net sales of upland cotton were 187,600 bales, up from 150,083 bales in the week through Feb. 28, USDA data show.

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	0	0.00	0.00	0.00	0.00
Apr-13	23	977.5	1004	977.5	999

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

Contract	+/-	Open	High	Low	Close
Mar -13	13.1	919.1	930.9	918	926.5
Apr-13	22	978.7	1001.5	978.7	998

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	0	0	2	0
Apr-13	16731	-1915	9530	-1915

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	395	190	934	-34
Apr-13	1946	971	1472	-150

Spread Feb-13 Apr-13

Basis	-170
Mar-13	-48
April-13	

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	1.92	18860	19140	18860	19140
30-Apr-13	1.78	19120	19460	19120	19460
31-May-13	1.75	19590	19770	19570	19770
28-Jun-13	1.88	19790	20030	19790	20030
31-Jul-13	1.91	20010	20250	20010	20250

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	15-3-2013	14-3-2013	
Amravati-Vunni Mech-1#	4900	4850	50
Kadi-Bt Cotton#	5100	5200	-100
Abohar-J-34*	4300	4225	75
Muktsar-J-34 *(Cotton)	4290	4225	65
*(Kapas BT Cotton)	5100	5050	50
Ahmedabad-Shankar-6#	5050	5000	50
Fajlika *(Cotton New)	4245	4180	65
*(Kapas BT Cotton)	5111	4980	131
Khandwa-(M.P)	5025	-	-
Khargaon-(M.P)	5025	-	-
Gondal	5000	4940	60
Rajkot-(B.T)	4995	4925	70
Sri-Ganganagar	4080	4120	-40
Patan(B.T. Cotton)	4900	4925	-25

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

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	15-3-2013	14-3-2013	
Amravati -Vunni Mech-1#	2500	2500	Unch
Kadi -Bt Cotton	25000	25000	Unch
Abohar-J-34*	1000	400	600
Muktsar-J-34 *(Kapas BT Cotton)	300	300	Unch
Ahmedabad - Shankar-6#	20000	20000	Unch
Fajlika *(Kapas BT Cotton)	1200	1200	Unch
Khandwa (M.P)	1600	-	-
Khargaon-(M.P)	8000	-	-
Gondal	2640	1070	1570
Rajkot-(B.T)	3250	3400	-150
Sri-Ganganagar	3000	3000	Unch

Patan(B.T. Cotton)	7400	7600	-200
--------------------	------	------	-------------

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

Cotton Association of India Spot Rates: 14/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (14/03/2013)	Rs. Per Candy (13/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	35900	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37100	36900	+200
J-34(202)	26mm	3.5 - 4.9	23	38400	38200	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37800	37500	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	38500	38200	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39400	39000	+400
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 14/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	95.00	+1.20

China Cotton Index: As on 15/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19359	+3
CCIndex(527)	16978	+1
CCIndex(229)	20072	+2

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

USDA Cotton Spot Rates: As on 14/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	88.61	91.86	8297
North Delta	87.36	89.86	NIL
South Delta	87.36	89.86	NIL
East TX-OK	83	86	235
West Texas	83	86.25	1470
Desert SW	84.36	90.86	NIL
SJ Valley	85.36	96.01	200

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 14/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	88.46	91.17	88.31	90.86	2.25
13-May	89	91.8	89	91.54	1.99
13-Jul	89.05	89.6	88.35	89.42	0.9
13-Oct	87.08	88.97	87.08	88.54	1.03
13-Dec	86.81	87.8	86.81	87.66	1.07
14-Mar	86.47	87.86	86.47	87.45	1.16

Pakistan Cotton Spot rates: As on 14/03/2013 (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.

