

Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Friday except Patan, market discounted news of cotton release in market by state agencies.
- Indian import projection may come down after cotton agencies are looking at the ways of selling fiber in open market which are likely to bring down the prices.
- CCI is likely to offload around 4 lakh bales of cotton in domestic market along with NAFED, which could auction 3.63 lakh bales, by first week of April. This move is likely to ease prices which are firm at Rs38,500 a candy.
- 94 thousand bales of arrivals are reported across India.

Cotton International Fundamentals

- Recent hike in prices of cotton have encourage farmers in USA to sow more area under cotton as compared to projected by USDA.
- According to Pakistan agency PCGA, cotton production is likely to down by 11.7 % which are pushing up the prices.
- China imports is likely to rise to 223 lakh bales in 2012-13 as compared to earlier estimated 194 lakh bales, according to USDA. This is likely to lower global ending stocks which makes it likely to have lower global surplus in 2013-14.
- Net Upland sales of 114,100 running bales for the 2012/2013 marketing year were down 39 percent from the previous week and 31 percent from the prior.
- USDA projects global 2013-14 cotton production at 115.5 million bales, down 3% from 2012-13.

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	-19.5	961	961.5	934	944.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	0	-1	1	0
Apr-13	12693	271	10493	271

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	-16	894.1	896.2	879.4	884.1
Apr-13	-19.1	959	960.9	935.1	944

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	632	299	853	189
Apr-13	1934	806	1524	77

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	-0.91	18750	18750	18490	18560
30-Apr-13	-0.84	18990	19040	18790	18870
31-May-13	-0.83	19300	19330	19090	19160
28-Jun-13	-0.82	19510	19560	19330	19390
31-Jul-13	-0.91	19780	19780	19590	19670

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	22-3-2013	21-3-2013	
Amravati-Vunni Mech-1#	4800	4850	-50
Kadi-Bt Cotton#	5000	5000	Unch
Abohar-J-34*	4190	4200	-10
Muktsar-J-34 *(Cotton)	4200	4215	-15
*(Kapas BT Cotton)	4850	4940	-90
Ahmedabad-Shankar-6#	5050	5050	Unch
Fajlika *(Cotton New)	4175	4200	-25
*(Kapas BT Cotton)	4950	5060	-110
Khandwa-(M.P)	4850	5000	-150
Khargaon-(M.P)	4850	5000	-150
Gondal	4905	4985	-80
Rajkot-(B.T)	4960	5005	-45
Sri-Ganganagar	4070	4100	-30
Patan(B.T. Cotton)	5000	4950	50

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

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	22-3-2013	21-3-2013	
Amravati -Vunni Mech-1#	1500	1200	300
Kadi -Bt Cotton	20000	12500	7500
Abohar-J-34*	1000	500	500
Muktsar-J-34 *(Kapas BT Cotton)	400	300	100
Ahmedabad - Shankar-6#	20000	20000	Unch
Fajlika *(Kapas BT Cotton)	1300	1300	Unch
Khandwa (M.P)	500	700	-200
Khargaon-(M.P)	3600	3000	600
Gondal	520	500	20
Rajkot-(B.T)	3200	2250	950
Sri-Ganganagar	17128	17128	Unch

Patan(B.T. Cotton)	4000	6668	-2668
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Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 21/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (21/03/2013)	Rs. Per Candy (20/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35400	35600	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36400	36600	-200
J-34(202)	26mm	3.5 - 4.9	23	37800	38000	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38300	38300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38700	39000	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39900	40100	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	48000	48000	Unch

Cotlook Index: As on 21/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	95.55	-2.00

China Cotton Index: As on 22/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19370	2
CCIndex(527)	16984	1
CCIndex(229)	20080	Unch

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

USDA Cotton Spot Rates: As on 21/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.95	89.2	NIL
North Delta	84.7	87.2	NIL
South Delta	84.7	87.2	NIL
East TX-OK	81.25	84	30
West Texas	81.25	84.25	726
Desert SW	81.7	88.2	NIL
SJ Valley	82.7	93.35	252

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 21/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	89.1	89.1	87.96	88.2	-0.9
13-May	89.95	89.95	88.8	89.15	-0.8
13-Jul	87.66	88.35	87.13	87.89	-0.39
13-Oct	87.75	87.84	87.23	87.82	-0.16
13-Dec	87.17	87.29	86.9	87.27	-0.25
14-Mar	86.77	86.9	86.61	86.89	-0.33

Pakistan Cotton Spot rates: As on 21/03/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6900	155	7055
Equivalent	40 Kgs	7395	155	7550

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