



Date: 8 April 2013

Reference: 9/3/1

COTTON MARKET REPORT AS AT 5 APRIL 2013

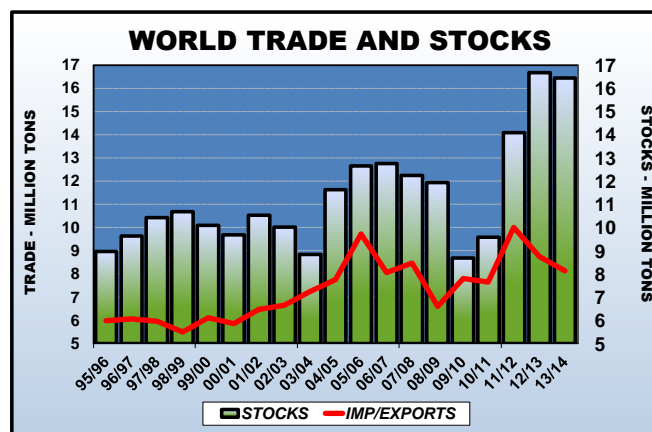
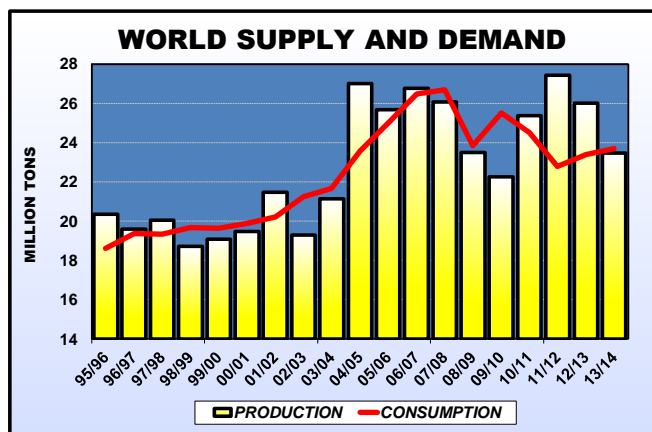
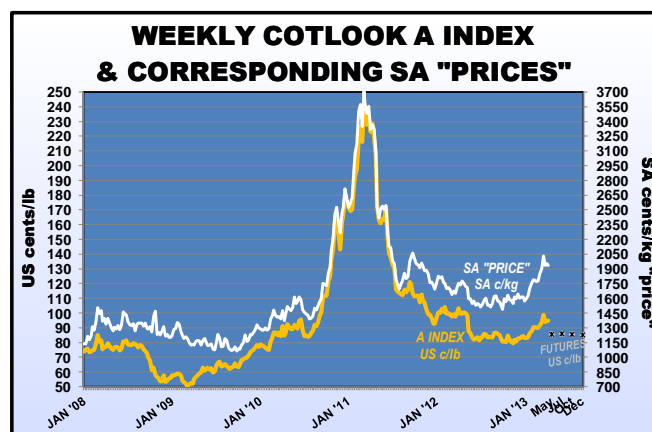
International

The Cotlook A index (an indicator of world cotton lint prices) rose to 98.85 US c/lb on 18 March before receding to 94 - 95 US c/lb currently. According to the International Cotton Advisory Committee (ICAC) this recent surge in prices may be due to concerns about a tightening supply/demand situation outside of China as the latter continues to build its reserves of cotton stocks.

The largest exporters of cotton to China so far this season are: Australia (577 867 tons); USA (572 216 tons); India (534 056 tons); Brazil (284 516 tons) and Uzbekistan (188 934 tons).

Planting has started in the Northern Hemisphere and the ICAC expects world cotton production to decline by about 10% to 23.5 million tons in 2013/14 due to the current level of cotton prices. The most significant declines are expected in the USA (-32%) and China (-8%). The ICAC expects that global cotton mill use will continue to grow slowly and increase by just over 1% in 2013/14. The consumption of cotton by Chinese spinners is expected to decline by about 5% in 2013/14 in comparison to India where cotton consumption is expected to increase by 10% according to the ICAC. For the rest of the world's largest cotton consuming countries, cotton consumption will more or less be unchanged in 2013/14.

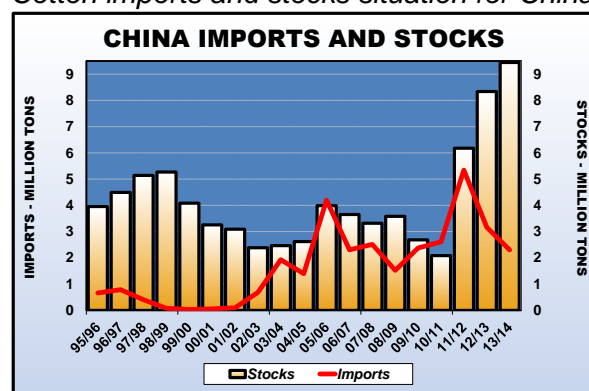
For 2013/14, global cotton trade is expected to increase by about 7% whilst world cotton stocks are expected to decrease by about 1% from the record 2012/13 level of 16.7 million tons. This in contrast to China where cotton stocks are expected to increase by 13% in 2013/14.



Estimated world supply and demand for cotton for the 2011/12 season and projections for 2012/13 and 2013/14 (seasons beginning 1 August):

(million metric tons)	2011/12	2012/13	2013/14
Beginning stocks	9.6	14.1	16.7
Production	27.4	26.0	23.5
Consumption	22.8	23.4	23.7
Exports	10.0	8.7	8.1
Imports	9.8	8.7	8.1
Ending stocks	14.1	16.7	16.4
Ending stocks/use (China excluded)	56%	55%	44%
A Index (US c/lb)	100	90	

Cotton imports and stocks situation for China:



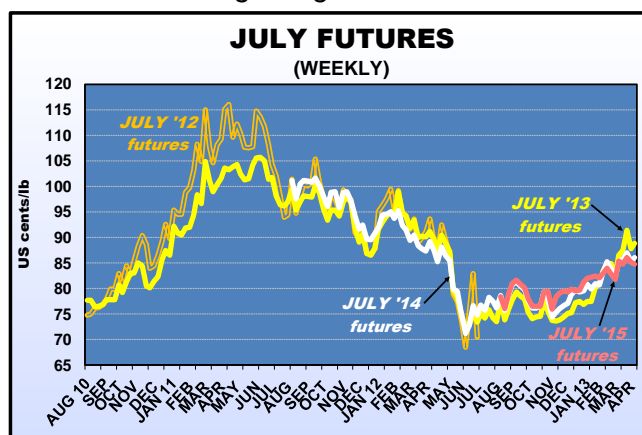
Average Cotlook A index prices (an indicator of world cotton lint prices) and corresponding South African "prices":

	A INDEX <i>Avg: US c/lb</i>	RSA "PRICE" <i>Avg: SA c/kg</i>
Last week (01/04 - 05/04/13)	94.97	1950.78
March 2013	94.46	1932.43
Today (05/04/13)	94.85	1935.63
February 2013	89.68	1775.86
Today a year ago	99.50	1732.63
Today two years ago	223.00	3328.45

New York cotton futures as at 5 April 2013 (settlement prices):

	NY FUTURES <i>US c/lb</i>
May 2013	86.79
July	88.57
October	87.93
December	86.71
March 2014	86.63
May	86.58
July	86.75

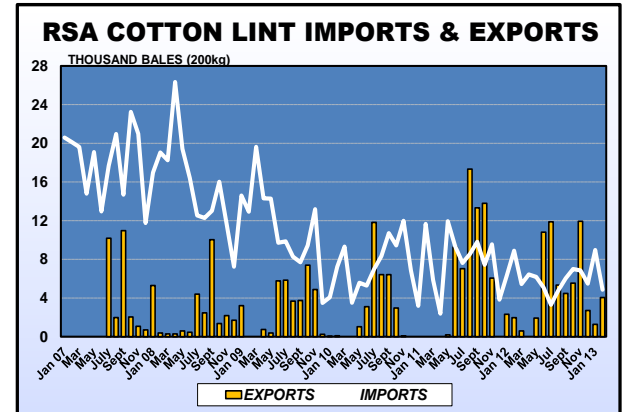
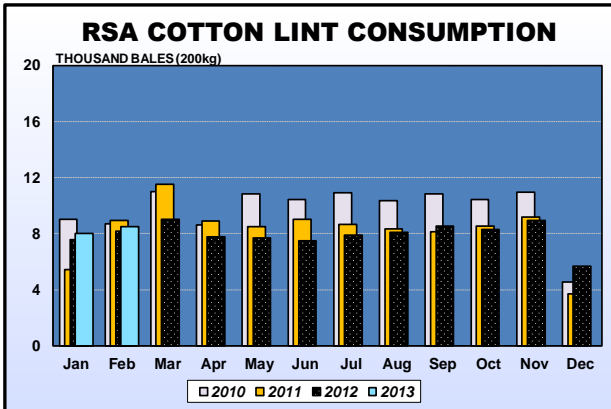
New York JULY cotton futures as at the beginning of each week:



Local outlook

As far as the local outlook is concerned, the 3rd estimate for the 2012/13 production year indicates a total crop of 35 386 lint bales, up 3% from the 2nd estimate mainly due to an expected improvement in dryland yields.

About 31 886 lint bales are estimated to be produced from RSA grown seed cotton. The balance of 3 500 lint bales relates to expected Swaziland produced cotton to be ginned by the Swaziland gin.



COTTON CROP REPORT - 3rd ESTIMATE

2012/13 PRODUCTION YEAR

02/04/13

PRODUCTION REGION	HECTARES IRRIGATION	HECTARES DRYLAND	YIELD IRRIGATION kg seed cotton/ha	YIELD DRYLAND kg seed cotton/ha	PRODUCTION 200 kg bales cotton lint	CROP % HAND PICKED	% OF CROP GINNED SO FAR
LIMPOPO PROV.							
Loskop	819	0	4000	0	5733	0%	0%
North & South Flats	0	785	0	1500	2061	10%	0%
Dwaalboom/Thabazimbi	0	0	0	0	0	0%	0%
Weipe	873	0	4000	0	6460	0%	0%
NORTHERN CAPE							
Vaalharts	500	0	5000	0	4286	0%	0%
Lower Orange River	200	0	4000	0	1480	50%	0%
Rest of Northern Cape	499	0	4859	0	4486	1%	0%
NORTH WEST							
Stella/Setlagoli	0	0	0	0	0	0%	0%
Taung	0	0	0	0	0	0%	0%
KWAZULU-NATAL	330	1837	3500	1000	5387	100%	0%
MPUMALANGA	0	1107	0	1000	1993	100%	0%
EASTERN CAPE	0	0	0	0	0	0%	0%
RSA TOTAL	3221	3729	4237	1105	31886	26%	0%
Swaziland*	0	3600	0	550	3500	100%	0%
Botswana*	0	0	0	0	0		
Namibia*	0	0	0	0	0		
Zimbabwe*	0	0	0	0	0		
Mozambique*	0	0	0	0	0		
GRAND TOTAL	3221	7329	4237	833	35386	33%	0%

* Particulars relate to expected purchases of seed cotton by RSA & Swaziland ginner from these countries.

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