

Cotton Domestic Fundamentals:

- The cotton spot markets continued to positive except Kadi market which closed on down side on improving millers demand and further likely to buy gradually with a limited quantum.
- Steady to upside arrivals have been reported in the market as farmers are releasing their stocks due to uncertainty in the market.
- However, total arrivals (from 1st Oct. to 1st April 2011) reduced by 8.68% to 26 million bales of 170 kgs each as compared to last year arrivals to 28.4 million bales during the corresponding period as reported by the Cotton Corporation of India.
- However, exporters are remained inactive in the market and waiting on Government decision for cotton export.
- Maharashtra State Government has recently imposed 5% VAT on cotton which will directly affect on farmers as VAT has been imposed on bales means farmers may get Rs. 200 per quintal less than the current price.

Cotton International Fundamentals

- CCI is likely to source cotton to Bangladesh on commercial lines with a contractual agreement so that regular demand could be fulfilled as Bangladesh requires 15 lakh bales cotton every year. The final decision would be made after the meeting which would be schedule before end of May.

Outlook: Domestic and International

We expect domestic cotton price to be volatile due to uncertainty in the market.

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

Contract	+/-	Open	High	Low	Close
Apr-12	-4.50	831.00	838.00	824.00	829.00

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

Contract	+/-	Open	High	Low	Close
Apr-12	-2.20	835.00	835.00	819.10	822.30

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-12	2626	-1915	6488	29

Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-12	336	-327	2638	-12

Spread April-12

Basis	41
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Spread April-12

Basis	47.70
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NB: Spread was done by taking avg spot prices at Kadi market. Basis = Spot- April

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MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
30-Mar-12	2.88	18750	18910	18750	18910
30-Apr-12	-0.11	18300	18550	18300	18510
31-May-12	0.11	17960	18060	17880	18030
29-June-12	0.06	17540	17580	17430	17560

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	3-4-2012	2-4-2012	
Kadi – Bt Cotton	4000-4450	4000-4500	-50
Amravati – Vunni Mech-1	3850	3875	+75
Ahmedabad – Shankar-6	4200-4500	4200-4500	Unch
Abhor – J-34	3735	3710	+25
Muktsar – J-34	3735	3710	+25
Fajlika Punjab	3800-4325	-	-
Khandwa M.P	3600-4200	3600-4000	+200

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	3-4-2012	2-4-2012	
Kadi –Bt Cotton (truck)	100	100	Unch
Amravati –Vunni Mech-1 (bales)	4000	3000	+1000
Ahmedabad – Shankar-6	20000	15000	+5000
Abohar (bales)	1000	1000	Unch
Muktsar (bales)	350	350	Unch
Fajlika Punjab (quintal)	3000	-	-
Khandwa M.P (Qtl)	3500	2000	+1500

Cotton Association of India Spot Rates: 2/4/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (2/4/2012)	Rs. Per Candy (31/3/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34800	34800	Unch
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35100	35100	Unch
J-34	25mm	3.5 - 4.9	23	31600	31600	Unch
H-4/ MECH-1	28mm	3.5 - 4.9	25	33700	33400	+300
Shankar-6	29mm	3.5 - 4.9	26	35000	34600	+400
Bunny/ Brahma	31mm	3.5 - 4.9	27	35300	34300	+1000
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.	N.Q.	-
sDCH-32	35mm	2.8 - 3.6	31	45500	45500	Unch

Cotlook Index: As on 2/4/2012

Cotlook Indices	Cents/Pound	Change
A-Index	103.30	Unch

China Cotton Index: As on 1/4/2012

Index	RMB/Ton	Change
CCIndex(328)	19456	-6
CCIndex(527)	16899	-2
CCIndex(229)	20822	-3

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

USDA Cotton Spot Rates: As on 2/4/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	88.62	91.62	800
North Delta	87.62	88.62	NIL
South Delta	87.62	88.62	NIL
East TX-OK	83.25	88.00	466
West Texas	83.50	89.75	84
Desert SW	85.37	91.87	NIL
SJ Valley	86.62	97.02	155

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 2/4/2012

Contract	Open	High	Low	Close	Change
May-12	93.52	93.70	92.05	93.12	-0.40
Jul-12	93.87	94.00	92.30	93.57	-0.35
Oct-12	93.50	93.50	92.85	92.85	+0.01
Dec-12	90.10	91.00	89.47	90.75	-0.25
Mar-13	91.42	91.54	91.12	91.45	-0.17
May-13	90.72	91.35	90.40	91.35	-0.16

Pakistan Cotton Spot rates: As on 2/4/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5300	130	5430
Equivalent	40 Kgs	5680	130	5810

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