

Cotton Domestic Fundamentals:

- Mostly Cotton prices came down after the government statement and poor domestic demand.
- After a review meeting with ministers held on Monday (9th April'12) regarding export ban, Government has decided to continue on export ban to support domestic mills.
- However, unlike previous session, arrivals pace increased in most of the mandies as farmers are worry about price fall in upcoming days.
- The State Government had imposed 5% VAT on textiles from July 11 in previous year. Due to which, Andhra Pradesh amid declining cotton prices decide to go on an indefinite strike from April 30 appealing to remove VAT (value added tax) and possibly they will not buy cotton from other states from 15th April'12.
- Exporters are continuing slowing down their movements mainly after government decision over export status.

Cotton International Fundamentals

- ICAC forecasted China's total imports at 4.2 million tons during the current season 2011/12 after higher accumulation since last eight month by China.
- According to the National Agriculture Statistics Services released report, Texas in US is likely to cover 10% lower cotton area to 6.8 million acres from the previous year.

Outlook: Domestic and International

We expect domestic cotton prices to decline on account of continue export ban announcement by the government.

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

Contract	+/-	Open	High	Low	Close
Apr-12	-15.50	795.00	799.00	785.00	785.00

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

Contract	+/-	Open	High	Low	Close
Apr-12	-13.90	786.00	788.50	776.00	776.10

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-12	4024	56	6658	-126

Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-12	570	-22	2599	-21

Spread	April-12	April-12
Basis	80	
Apr-12		

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

Spread	April-12
Basis	88.90
Apr-12	

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
30-Mar-12	-1.91	17240	17250	16910	16920
30-Apr-12	-2.1	17600	17670	17290	17290
31-May-12	-1.93	18150	18150	17740	17770
29-June-12	-1.89	18550	18550	18180	18180

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	10-4-2012	9-4-2012	
Kadi – Bt Cotton	3750-4300	3750-4050	+250
Amravati – Vunni Mech-1	3750	3775-3800	-50
Ahmedabad – Shankar-6	4250-4400	4400-4500	-100
Abhor – J-34	3540	3600	-60
Muktsar – J-34	3555	3600	-45
Fajlika Punjab	3700-4150	3750-4150	Unch
Khandwa M.P	-	-	-

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	10-4-2012	9-4-2012	
Kadi –Bt Cotton (truck)	600	600	Unch
Amravati –Vunni Mech-1 (bales)	4500	4000	+500
Ahmedabad – Shankar-6	23000	30000	-7000
Abohar (bales)	1200	1000	+200
Muktsar (bales)	500	450	+50
Fajlika Punjab (quintal)	2600	3000	-400
Khandwa M.P (Qtl)	-	-	-

Cotton Association of India Spot Rates: 9/4/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (9/4/2012)	Rs. Per Candy (7/4/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33600	33600	Unch
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
J-34	25mm	3.5 - 4.9	23	30200	30400	-200
H-4/ MECH-1	28mm	3.5 - 4.9	25	32800	32600	+200
Shankar-6	29mm	3.5 - 4.9	26	34000	34200	-200
Bunny/ Brahma	31mm	3.5 - 4.9	27	35000	35000	Unch
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.	N.Q.	-
sDCH-32	35mm	2.8 - 3.6	31	45300	45000	+300

Cotlook Index: As on 5/4/2012

Cotlook Indices	Cents/Pound	Change
A-Index	99.50	-2.95

China Cotton Index: As on 10/4/2012

Index	RMB/Ton	Change
CCIndex(328)	19423	-12
CCIndex(527)	16866	-2
CCIndex(229)	20802	-8

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

USDA Cotton Spot Rates: As on 9/4/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.98	87.98	NIL
North Delta	83.98	84.98	NIL
South Delta	83.98	84.98	NIL
East TX-OK	79.75	84.50	184
West Texas	80.00	86.25	455
Desert SW	81.73	88.23	NIL
SJ Valley	82.98	93.38	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 9/4/2012

Contract	Open	High	Low	Close	Change
May-12	88.54	90.24	88.50	89.48	+0.94
Jul-12	88.66	90.03	88.39	89.30	+0.91
Oct-12	90.10	90.10	90.10	90.10	+1.44
Dec-12	87.66	89.18	87.50	88.39	+0.85
Mar-13	88.97	90.07	88.83	89.32	+0.74
May-13	89.04	89.46	89.04	89.46	+0.62

Pakistan Cotton Spot rates: As on 9/4/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5500	130	5630
Equivalent	40 Kgs	5984	130	6024

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