

## Cotton Domestic Fundamentals:

- Mixed sentiments featured in the cotton spot markets on Thursday due to inconsistency in domestic millers demand.
- Patchy arrivals seemed in the market.
- CCI has procured total 1, 11,000 bales of cotton so far in 2011/12. Further Textile ministry directed CCI to buy best quality of cotton at the rate of Rs.900 per maund (1 maund = 20 kgs).
- India has exported total 11.5 million bales of cotton so far.
- However, exporters are continued inactive in the market on current export status.
- Steady to weak tone featured with verities of Cotton prices on 18<sup>th</sup> April 2012.

## Cotton International Fundamentals

- According to USDA report, in Southeast region of U.S planting area is expected to be lower to 3 million acres in 2012 from 3.4 million acres in 2011. In Delta region of U.S, planting area is expected to touch 2.2 million acres declining from 2.05 million acre of previous year.
- In April month, U. S Cotton export increased by 3% in this year. It raised by 400,000 to 11.4 million bales against previous month export figure i.e. 11 million bales after robust Chinese demand. Besides, exports are increased for India, Pakistan and Brazil.

## Outlook: Domestic and International

We expect domestic cotton price to go down.

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

Contract	+/-	Open	High	Low	Close
Apr-12	-2	764	774	763.5	770
Feb-13	-20.5	955	955	951.5	951.5
Apr-13	-5	979	980	965.5	972

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-12	1434	-1496	5670	-16
Feb-13	16	7	3	0
Apr-13	118	-48	365	48

Spread	April-12	Feb-13	Apr-13
Basis	55		
Apr-12		181.5	
Feb-13			20.5

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

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

Contract	+/-	Open	High	Low	Close
Apr-12	-2.5	760	762.3	752.3	758.8

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-12	318	-79	2603	-18

Spread	April-12
Basis	66.2
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	-0.17	17540	17590	17370	17480
30-Apr-12	-0.41	17280	17280	17090	17180
31-May-12	-0.18	17100	17100	16860	16980
29-June-12	Unch	16900	16900	16670	16780

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	19-4-2012	18-4-2012	
Kadi – Bt Cotton	3750-4250	3900-4250	Unch
Amravati – Vunni Mech-1	3700	3700	Unch
Ahmedabad – Shankar-6	3750-4500	3750-4250	+250
Abhor – J-34	3480	3500	-20
Muktsar – J-34	3500	3500	Unch
Fajlika Punjab	3700-3950	3400-4010	-60
Khandwa M.P	-	3200-4000	-

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	19-4-2012	18-4-2012	
Kadi –Bt Cotton (truck)	200	125	+75
Amravati –Vunni Mech-1 (bales)	5000	3000	+2000
Ahmedabad – Shankar-6	35000	30000	+5000
Abohar (bales)	600	500	+100
Muktsar (bales)	200	250	-50
Fajlika Punjab (quintal)	2000	2200	-200
Khandwa M.P (Qtl)	-	3000	-

**Cotton Association of India Spot Rates: 18/4/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (18/4/2012)	Rs. Per Candy (17/4/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33300	33300	Unch
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34400	34400	Unch
J-34	25mm	3.5 - 4.9	23	29500	29500	Unch
H-4/ MECH-1	28mm	3.5 - 4.9	25	32800	33000	-200
Shankar-6	29mm	3.5 - 4.9	26	34000	34200	-200
Bunny/ Brahma	31mm	3.5 - 4.9	27	34900	35100	-200
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.	N.Q.	-
DCH-32	35mm	2.8 - 3.6	31	45000	45000	Unch

**Cotlook Index: As on 18/4/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	98.05	+0.75

**China Cotton Index: As on 19/4/2012**

Index	RMB/Ton	Change
CCIndex(328)	19349	-21
CCIndex(527)	16822	-16
CCIndex(229)	20665	-48

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

**USDA Cotton Spot Rates: As on 18/4/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	87.18	90.18	NIL
North Delta	86.43	87.43	NIL
South Delta	86.43	87.43	NIL
East TX-OK	82.00	86.75	117
West Texas	82.25	88.50	1725
Desert SW	84.18	90.68	NIL
SJ Valley	85.43	95.83	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 18/4/2012**

Contract	Open	High	Low	Close	Change
May-12	89.72	93.43	89.50	91.93	<b>+2.50</b>
Jul-12	88.53	92.25	88.24	90.02	<b>+1.77</b>
Oct-12	90.15	90.30	89.58	89.58	<b>+1.48</b>
Dec-12	86.33	88.81	86.02	87.18	<b>+0.85</b>
Mar-13	87.47	89.31	87.00	88.03	<b>+0.77</b>
May-13	88.57	88.59	88.32	88.32	<b>+0.67</b>

**Pakistan Cotton Spot rates: As on 18/4/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	5850	130	5980
<b>Equivalent</b>	40 Kgs	6269	130	6399

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