

Cotton Domestic Fundamentals:

- Mostly firm trend witnessed in the cotton spot market on improving demand.
- Arrivals were registered in mixed phase in the markets.
- A review meeting on cotton export has been slated on 30th April 2012 between Agriculture ministries and Prime Minister Mr. Manmohan Singh.
- Agriculture minister Mr. Sharad Pawar pegged cotton production estimate for 2011/12 at 35.2 million bales in the 3rd advance estimates released on 23rd April 2012.
- The farmers in Andhra Pradesh is likely to shift towards Maize crop reducing 4% to 7% area of cotton in 2012 planting season on account of insufficient water availability of last season 2011 and poor performance of cotton prices in 2012.
- The Commission on Agricultural Costs and Prices (CACP), under the ministry of agriculture, has recommended an increase of 25% with the minimum support price (MSP) of cotton to around 3500-3900 per quintal.

Cotton International Fundamentals

- As per USDA Report, China mills use is estimated lower by 1 million bales from March to 42.5 million bales in April month 2012. While, China's import estimated higher by 2.0 million bales from March to 20.5 million bales a record in April 2012 mainly to boost up its national reserves for cotton limiting consumption resulting China's ending stock is estimated at 23.1 million bales in 2012. China

Outlook: Domestic and International

We expect domestic cotton price to be sideways phase amid lower millers buying activities.

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

Contract	+/-	Open	High	Low	Close
Apr-12	-2	777	784	771	775
Feb-13	32.5	996.5	1015	996.5	1010
Apr-13	28	1005	1033	1005	1028

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-12	1699	1290	5320	-346
Feb-13	17	12	22	2
Apr-13	247	86	520	79

Spread	Apr-12	Feb-13	Apr-13
Basis	55		
Apr-12		235	
Feb-13			18

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	-3.4	765.5	772	761.1	762.5

Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-12	363	121	2691	88

Spread	April-12
Basis	67.5
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	0.3	16910	17000	16860	16890
30-Apr-12	0.12	17240	17380	17200	17230
31-May-12	0.17	17500	17680	17500	17530
29-June-12	-0.11	17850	17920	17750	17760

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	23-4-2012	21-4-2012	
Kadi – Bt Cotton	3800-4400	3825-4050	+350
Amravati – Vunni Mech-1	3750	3750	Unch
Ahmedabad – Shankar-6	4000-4300	3750-4250	+50
Abhor – J-34	3600	3540	+60
Muktsar – J-34	3620	3540	+80
Fajlika Punjab	3600-4050	3400-3980	+70
Khandwa M.P	3100-3550	3200-4000	-450

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	20-4-2012	21-4-2012	
Kadi –Bt Cotton (truck)	150	125	25
Amravati –Vunni Mech-1 (bales)	3000	5000	-200
Ahmedabad – Shankar-6	35000	35000	Unch
Abohar (bales)	500	-	-
Muktsar (bales)	300	150	150
Fajlika Punjab (quintal)	1800	2000	-200
Khandwa M.P (Qtl)	2400	1200	+1200

Cotton Association of India Spot Rates: 21/4/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (21/4/2012)	Rs. Per Candy (20/4/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33000	32900	-200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34200	34000	-200
J-34	25mm	3.5 - 4.9	23	29700	29400	Unch
H-4/ MECH-1	28mm	3.5 - 4.9	25	32600	32600	-200
Shankar-6	29mm	3.5 - 4.9	26	33800	33800	-200
Bunny/ Brahma	31mm	3.5 - 4.9	27	34700	34700	-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 20/4/2012

Cotlook Indices	Cents/Pound	Change
A-Index	100.30	+0.60

China Cotton Index: As on 23/4/2012

Index	RMB/Ton	Change
CCIndex(328)	19331	-7
CCIndex(527)	16793	-12
CCIndex(229)	20643	-4

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

USDA Cotton Spot Rates: As on 20/4/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.29	88.29	68
North Delta	84.54	85.54	NIL
South Delta	84.54	85.54	NIL
East TX-OK	80.00	84.75	NIL
West Texas	80.25	86.50	39
Desert SW	82.29	88.79	NIL
SJ Valley	83.54	93.94	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 20/4/2012

Contract	Open	High	Low	Close	Change
May-12	91.27	91.68	89.70	90.04	-0.40
Jul-12	89.95	91.41	89.70	90.72	+0.70
Oct-12	89.41	90.26	89.41	90.26	+0.68
Dec-12	87.18	88.44	87.00	88.31	+1.13
Mar-13	88.76	89.28	88.20	89.17	+1.14
May-13	89.00	89.53	88.97	89.41	+1.09

Pakistan Cotton Spot rates: As on 21/4/2012 (in Pakistan Rupees)

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

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