

**Cotton Domestic Fundamentals:**

- Mixed tone featured in the cotton spot markets on Wednesday on patchy supply & demand.
- Arrivals were reported down except Kadi market.
- 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.
- Cotton Prices of the most traded Shankar-6 variety fell by Rs.100 to 34100 per candy of 356 kg each as on 24<sup>th</sup> April 2012 as compared to previous day's prices at 34200.

**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.
- Pakistan cotton production estimate stood at 14.7 million bales against lower consumption 12.5-13 million bales.

**Outlook: Domestic and International**

We expect domestic cotton price to be sideways to bearish phase in near-term.

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

Contract	+/-	Open	High	Low	Close
Apr-12	-30	757	766	729	729
Feb-13	8	1004	1018.5	995.5	1002.5
Apr-13	8	1007.5	1029	1007.5	1020

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Apr-12	1968	-1730	3532	-1056
Feb-13	15	1	29	3
Apr-13	292	-40	629	83

**Spread**

Apr-12	Feb-13	Apr-13
Basis	96	
Apr-12	273.5	
Feb-13		17.5

**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	-30.2	752.4	761	723.9	723.9

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Apr-12	180	-615	2600	-180

**Spread**

April-12
Basis
101.1
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	0.73	17840	17970	17840	17930
30-Apr-12	0.46	17700	17850	17560	17600
31-May-12	0.46	17380	17400	17240	17300
29-June-12	0.24	16950	17010	16890	16930

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	25-4-2012	24-4-2012	
Kadi – Bt Cotton	3825-4250	3750-4300	<b>-50</b>
Amravati – Vunni Mech-1	3800	3750	<b>+50</b>
Ahmedabad – Shankar-6	4000-4250	4000-4250	<b>Unch</b>
Abhor – J-34	3580	-	-
Muktsar – J-34	3580	-	-
Fajlika Punjab	4050	4050	<b>Unch</b>
Khandwa M.P	-	-	-

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	25-4-2012	24-4-2012	
Kadi –Bt Cotton (truck)	120	100	<b>+20</b>
Amravati –Vunni Mech-1 (bales)	3000	5000	<b>-2000</b>
Ahmedabad – Shankar-6	30000	35000	<b>-5000</b>
Abohar (bales)	400	-	-
Muktsar (bales)	150	-	-
Fajlika Punjab (quintal)	1800	2000	<b>-200</b>
Khandwa M.P (Qtl)	-	-	-

**Cotton Association of India Spot Rates: 24/4/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (24/4/2012)	Rs. Per Candy (23/4/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33000	33500	<b>-500</b>
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34100	34700	<b>-600</b>
J-34	25mm	3.5 - 4.9	23	29800	30300	<b>-500</b>
H-4/ MECH-1	28mm	3.5 - 4.9	25	33000	33000	<b>Unch</b>
Shankar-6	29mm	3.5 - 4.9	26	34100	34200	<b>-100</b>
Bunny/ Brahma	31mm	3.5 - 4.9	27	35000	35100	<b>-100</b>
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q	N.Q	-
DCH-32	35mm	2.8 - 3.6	31	45000	45000	<b>Unch</b>

**Cotlook Index: As on 24/4/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	101.55	<b>+1.20</b>

**China Cotton Index: As on 25/4/2012**

Index	RMB/Ton	Change
CCIndex(328)	19343	<b>+6</b>
CCIndex(527)	16795	<b>+2</b>
CCIndex(229)	20669	<b>+14</b>

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

**USDA Cotton Spot Rates: As on 24/4/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.71	87.71	151
North Delta	83.96	84.96	280
South Delta	83.96	84.96	NIL
East TX-OK	81.00	85.75	NIL
West Texas	81.25	87.50	156
Desert SW	82.71	89.21	NIL
SJ Valley	83.46	93.86	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 24/4/2012**

Contract	Open	High	Low	Close	Change
May-12	89.91	91.4	88.5	89.36	-1.04
Jul-12	92.48	92.86	90.05	91.46	-1.02
Oct-12	91.99	91.99	91.65	91.65	-0.79
Dec-12	89.2	89.55	87.65	88.71	-0.59
Mar-13	89.73	90.33	88.95	89.38	-0.61
May-13	90.24	90.7	89.49	89.67	-0.67

**Pakistan Cotton Spot rates: As on 19/4/2012 (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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