

Cotton Domestic Fundamentals:

- Steady to firm tone seen in the cotton spot markets on Friday on improving millers demand.
- Arrivals were registered down in Ahmadabad and Fajlika market while the pace of arrivals was reported higher in Kadi & Amravati market.
- Farmers are holding remaining 10 to 15% of cotton crop as on date almost in all the markets.
- Cotton sowing 2012 has been started in Punjab with irrigated facilities. However, sowing will start after the first monsoon rain in Central and South Zone of India which obtain their moisture primarily through rain.
- A review meeting on cotton export has been slated on 30th April 2012 between Agriculture ministries and Indian Government.
- 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 which may encourage cotton growers.

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 volatile due to uncertainty on export status and CCI buying activities.

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

Contract	+/-	Open	High	Low	Close
Apr-12	-30	781	781	728.5	728.5
Feb-13	8.5	1000	1014.5	999	1012
Apr-13	4	1032	1032	1015	1027.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-12	325	-818	2376	-293
Feb-13	11	-1	30	-1
Apr-13	260	19	726	70

Spread	Apr-12	Feb-13	Apr-13
Basis	96.5		
Apr-12		283.5	
Feb-13			15.5

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	21.8	707	750	706.3	750

Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-12	288	108	2312	-288

Spread	April-12
Basis	75
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	0.59	16980	17100	16960	17080
30-Apr-12	0.12	17380	17470	17300	17400
31-May-12	0.17	17730	17800	17640	17760
29-June-12	0.11	18020	18120	18000	18080

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	27-4-2012	26-4-2012	
Kadi – Bt Cotton	3900-4400	3750-4250	+150
Amravati – Vunni Mech-1	3500-3800	3800	Unch
Ahmedabad – Shankar-6	4000-4250	4000-4250	Unch
Abhor – J-34	3630	-	-
Muktsar – J-34	3630	-	-
Fajlika Punjab	4105	3970	+135
Khandwa M.P	3800	-	-

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	27-4-2012	26-4-2012	
Kadi –Bt Cotton (truck)	125	100	+25
Amravati –Vunni Mech-1 (bales)	4500	3500	+1000
Ahmedabad – Shankar-6	35000	40000	-5000
Abohar (bales)	400	-	-
Muktsar (bales)	200	-	-
Fajlika Punjab (quintal)	1200	2000	-800
Khandwa M.P (Qtl)	2500	-	-

Cotton Association of India Spot Rates: 26/4/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (26/4/2012)	Rs. Per Candy (25/4/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33200	33000	+200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34300	34100	+200
J-34	25mm	3.5 - 4.9	23	30100	29900	+200
H-4/ MECH-1	28mm	3.5 - 4.9	25	33200	33000	+200
Shankar-6	29mm	3.5 - 4.9	26	34300	34100	+200
Bunny/ Brahma	31mm	3.5 - 4.9	27	35200	35000	+200
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q	N.Q	-
DCH-32	35mm	2.8 - 3.6	31	45200	45000	+200

Cotlook Index: As on 26/4/2012

Cotlook Indices	Cents/Pound	Change
A-Index	99.60	-0.85

China Cotton Index: As on 27/4/2012

Index	RMB/Ton	Change
CCIndex(328)	19346	+1
CCIndex(527)	16803	+7
CCIndex(229)	20677	+2

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

USDA Cotton Spot Rates: As on 26/4/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.36	88.36	NIL
North Delta	84.61	85.61	NIL
South Delta	84.61	85.61	NIL
East TX-OK	80.75	85.50	151
West Texas	81.00	87.25	1369
Desert SW	83.36	89.86	NIL
SJ Valley	84.11	94.51	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 26/4/2012

Contract	Open	High	Low	Close	Change
May-12	89.1	90.35	88.96	90.31	+1.42
Jul-12	90.7	92.34	90.7	92.11	+1.31
Oct-12	91.7	91.7	91.7	91.7	+0.41
Dec-12	88.65	89.5	88.3	89.03	+0.39
Mar-13	90.12	90.12	89.07	89.82	+0.45
May-13	90	90.13	90	90.13	+0.47

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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