

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to firm tone on Saturday except slight weakness in Kadi market.
- Arrivals slowed down in major mandis.
- Good demand from the millers and less stocks in north India supported prices.
- There will be likely shift in acreage from cotton towards other crops in the coming season.
- Sowing of cotton has started in Punjab and will start in Central and Southern India by next month. Sowing is likely to be delayed in North India by 10-15 days.
- A review meeting on cotton export has been slated on 30th April 2012 between Agriculture ministries and Indian Government. This will give further direction to the market.
- 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 steady to firm in near –term amid lower arrivals and good demand.

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

Contract	+/-	Open	High	Low	Close
Apr-12	-28.5	709.00	709.00	730.00	700.00
Feb-13	-15	997.50	997.50	1009.00	997.00
Apr-13	-7.5	1025	1025	1032.00	1020.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-12	528	203	1874	-502
Feb-13	6	-5	33	3
Apr-13	122	-138	745	19

Spread	Apr-12	Feb-13	Apr-13
Basis	100		
Apr-12		-197.00	
Feb-13			-220

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	-1.3	702	730.00	698.90	719.20

Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-12	38	-250	2189	-123

Spread	April-12
Basis	80.5
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-Apr-12	0.29	16970	17160	16970	17130
31-May-12	0.46	17300	17500	17300	17490
29-June-12	0.28	17730	17860	17720	17820
31-July-12	0.44	18000	18180	18000	18120

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	28-4-2012	27-4-2012	
Kadi – Bt Cotton	3750-4300	3900-4400	-100
Amravati – Vunni Mech-1	3800	3500-3800	Unch
Ahmedabad – Shankar-6	3750-4250	4000-4250	Unch
Abhor – J-34	3720	3630	+90
Muktsar – J-34	3720	3630	+90
Fajlika Punjab	4250	4105	+145
Khandwa M.P	3200-4000	3800	+200

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	28-4-2012	27-4-2012	
Kadi –Bt Cotton (truck)	125	125	Unch
Amravati –Vunni Mech-1 (bales)	3000	4500	-1500
Ahmedabad – Shankar-6	35000	35000	Unch
Abohar (bales)	400	400	Unch
Muktsar (bales)	150	200	-50
Fajlika Punjab (quintal)	900	1200	-300
Khandwa M.P (Qtl)	1500	2500	-1000

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 27/4/2012

Cotlook Indices	Cents/Pound	Change
A-Index	100.80	+1.20

China Cotton Index: As on 28/4/2012

Index	RMB/Ton	Change
CCIndex(328)	19351	+5
CCIndex(527)	16811	+8
CCIndex(229)	20669	-8

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

USDA Cotton Spot Rates: As on 27/4/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.48	87.48	NIL
North Delta	83.73	84.73	584
South Delta	83.73	84.73	NIL
East TX-OK	80.00	85.00	424
West Texas	80.25	86.50	1502
Desert SW	82.48	88.98	3
SJ Valley	83.23	93.63	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 27/4/2012

Contract	Open	High	Low	Close	Change
May-12	90.37	90.37	88.77	89.23	-1.08
Jul-12	92.25	92.42	90.79	91.23	-0.88
Oct-12	91.5	91.5	90.65	90.65	-1.05
Dec-12	89	89.34	87.68	87.9	-1.13
Mar-13	89.75	89.89	88.62	88.83	-0.99
May-13	89.83	89.83	88.88	89.11	-1.02

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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