

## Cotton Domestic Fundamentals:

- Mixed tone featured in the cotton spot markets on Monday.
- Arrivals were noticed steady to higher pace in the markets.
- Indian Government has removed a curb on fresh export registrations after a review meeting with ministers held on Monday 30th April 2012. India had imposed a restriction on raw cotton exports as on 5th March 2012 to ensure domestic supplies.
- India has exported total 11.5 million bales of cotton in overseas market so far in this year 2012.
- Cotton sowing has been started in some parts of Punjab.
- However, farmers are in view to shift some cotton area towards Guar, soybean and groundnut due to higher returns and poor cotton prices in 2012.

## Cotton International Fundamentals

- As per latest release of ICAC (International Cotton Advisory Committee), China bought over 3 million tons of domestic cotton and around 1 million tons from overseas markets in its national reserve during the first eight months of 2011/12. Now, the forecast stood up by 61% to 4.2 million tons from previous year 2010/11.

## Outlook: Domestic and International

We expect domestic cotton price to gain in upcoming days after removal of ban on cotton exports and the anticipation of improving millers demand.

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

Contract	+/-	Open	High	Low	Close
Apr-12	22	720	749.5	700	749.5
Feb-13	34.5	1026	1043.5	1016	1043.5
Apr-13	30	1031	1066	1031	1059.5

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-12	510	-18	1358	-516
Feb-13	61	55	44	11
Apr-13	1029	907	919	174

Spread	Apr-12	Feb-13	Apr-13
Basis	50.5		
Apr-12		294	
Feb-13			16

**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	21.6	720	740.8	701	740.8

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-12	160	122	2029	-160

Spread	April-12
Basis	59.2
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	2.45	17230	17570	17230	17530
30-Apr-12	1.83	17500	17890	17500	17790
31-May-12	1.85	17900	18270	17900	18150
29-June-12	1.6	18300	18600	18280	18400

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-4-2012	28-4-2012	
Kadi – Bt Cotton	3900-4425	3750-4300	+125
Amravati – Vunni Mech-1	3850	3800	+50
Ahmedabad – Shankar-6	3750-4250	3750-4250	Unch
Abhor – J-34	-	3720	-
Muktsar – J-34	-	3720	-
Fajlika Punjab	4120	4250	-130
Khandwa M.P	3200-4000	3200-4000	Unch

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-4-2012	28-4-2012	
Kadi –Bt Cotton (truck)	125	125	Unch
Amravati –Vunni Mech-1 (bales)	3000	3000	Unch
Ahmedabad – Shankar-6	40000	35000	+5000
Abohar (bales)	-	400	-
Muktsar (bales)	-	150	-
Fajlika Punjab (quintal)	1100	900	+200
Khandwa M.P (Qtl)	2000	1500	+500

**Cotton Association of India Spot Rates: 28/4/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (28/4/2012)	Rs. Per Candy (26/4/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33600	33200	+400
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34700	34300	+400
J-34	25mm	3.5 - 4.9	23	30500	30100	+400
H-4/ MECH-1	28mm	3.5 - 4.9	25	33300	33200	+100
Shankar-6	29mm	3.5 - 4.9	26	34400	34300	+100
Bunny/ Brahma	31mm	3.5 - 4.9	27	35300	35200	+100
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q	N.Q	-
DCH-32	35mm	2.8 - 3.6	31	45200	45200	Unch

**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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