

Cotton Domestic Fundamentals:

- Mixed tone featured in the cotton spot markets on Wednesday comparatively despite good demand.
- Arrivals were registered in mixed phase in the markets.
- Pakistan and Bangladesh is likely to purchase Indian raw cotton in upcoming days however, Chinese buying is not yet clear.
- 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 International Fundamentals

- According to International Cotton Advisory committee, cotton trade is likely to increase by 13% to 8.6 MT in 2011/12 after a record import by China which account for 50% of global import in the current season.
- US exports are recorded down by 21% to 2.5 million tons on account of reduced supplies.

Outlook: Domestic and International

We expect domestic cotton price to continue bullish phase amid strong millers buying activities.

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

Contract	+/-	Open	High	Low	Close
Feb-13	39.5	1038.5	1085.5	1038	1083
Apr-13	36.5	1055	1100	1048	1094.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	38	-23	38	-6
Apr-13	1630	601	1048	129

Spread

	Feb-13	Apr-13
Basis	-283	
Feb-13		-294.5
April-13		

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-13	-	-	-	-	-

Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-13	-	-	-	-

Spread

	April-13
Basis	
Apr-13	

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
31-May-12	0.23	17810	17900	17700	17790
29-Jun-12	0.33	18100	18280	18050	18170
31-Jul-12	0.81	18400	18600	18380	18560
31-Aug-12	-0.27	18750	18800	18700	18800

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	02-5-2012	01-5-2012	
Kadi-Bt Cotton#	3800-4400	3850-4400	Unch
Amravati-Vunni Mech-1#	3900	3850	+50
Ahmedabad-Shankar-6#	3750-4250	3750-4250	Unch
Abohar-J-34*	3750	3750	Unch
Muktsar-J-34*	3750	3760	-10
Fajlika#	4300-4350	4300	+50
Khandwa#		-	-

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	02-5-2012	01-5-2012	
Kadi -Bt Cotton	150	150	Unch
Amravati -Vunni Mech-1	2000	3000	-1000
Ahmedabad - Shankar-6	25000	30000	-5000
Abohar	300	200	+100
Muktsar	150	100	+50
Fajlika	600	1000	-400
Khandwa		-	-

Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 01/5/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (01/5/2012)	Rs. Per Candy (30/4/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33800	33800	Unch
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34900	34900	Unch
J-34	25mm	3.5 - 4.9	23	31100	30700	+400
H-4/ MECH-1	28mm	3.5 - 4.9	25	33600	33500	+100
Shankar-6	29mm	3.5 - 4.9	26	34900	34600	+300
Bunny/ Brahma	31mm	3.5 - 4.9	27	35800	35500	+300
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q	N.Q	-
DCH-32	35mm	2.8 - 3.6	31	46000	45200	+800

Cotlook Index: As on 01/5/2012

Cotlook Indices	Cents/Pound	Change
A-Index	97.85	-2.00

China Cotton Index: As on 02/5/2012

Index	RMB/Ton	Change
CCIndex(328)	19332	-19
CCIndex(527)	16811	0
CCIndex(229)	20659	-10

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

USDA Cotton Spot Rates: As on 01/5/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.93	85.93	NIL
North Delta	82.18	83.18	NIL
South Delta	82.18	83.18	NIL
East TX-OK	78.25	83.25	NIL
West Texas	78.50	84.75	NIL
Desert SW	80.93	87.43	NIL
SJ Valley	81.68	92.08	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 01/5/2012

Contract	Open	High	Low	Close	Change
May-12	86.95	87.71	86.95	87.51	0.26
Jul-12	89.4	89.92	89.03	89.68	0.28
Oct-12	89.28	89.28	89.2	89.2	0.12
Dec-12	86.68	87.08	86.22	86.94	-0.02
Mar-13	87.23	87.92	87.23	87.89	-0.04
May-13	88.11	88.38	88.05	88.38	-0.13

Pakistan Cotton Spot rates: As on 30/4/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6300	130	6430
Equivalent	40 Kgs	6752	130	6882

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.