

Cotton Domestic Fundamentals:

- Steady to firm tone witnessed in the cotton spot markets on Thursday amid good exporters and millers demand.
- Arrivals were registered continued in mixed phase in the markets.
- Pakistan and Bangladesh are enquiring for Indian cotton now days.
- Total 10 to 15% of cotton crops are remaining in hand of farmers almost in all the markets. While, 2 to 3% are remained with the farmers in Punjab.
- India may have 15% lower cotton planting against 12.2 million hectares sowed in 2011/12 as per the Cotton Association of India.
- Exporters are actively participating in the market.

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 prices to continue bullish phase amid strong millers buying activities.

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

Contract	+/-	Open	High	Low	Close
Feb-13	29.5	1077.5	1112.5	1075	1100
Mar-13	64	1110	1110	1110	1110
Apr-13	14.5	1095	1129	1087.5	1113

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	38	0	50	12
Mar-13	2	2	8	8
Apr-13	1855	225	1112	64

Spread

Feb-13	Mar-13	Apr-13
Basis	-300	
Feb-13	-310	
April-13		-313

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	0.34	17800	17900	17790	17890
29-Jun-12	0.38	18250	18330	18220	18290
31-Jul-12	0.54	18590	18720	18590	18660
31-Aug-12	1.01	18850	18930	18850	18910

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	03-5-2012	02-5-2012	
Kadi-Bt Cotton#	3900-4500	3800-4400	+100
Amravati-Vunni Mech-1#	3900-3925	3900	+25
Ahmedabad-Shankar-6#	3750-4250	3750-4250	Unch
Abohar-J-34*	3770	3750	+20
Muktsar-J-34*	3770	3750	+20
Fajlika#	4350	4300-4350	Unch
Khandwa#	-	-	-

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	03-5-2012	02-5-2012	
Kadi -Bt Cotton	125	150	-25
Amravati -Vunni Mech-1	3000	2000	+1000
Ahmedabad - Shankar-6	25000	25000	Unch
Abohar	250	300	-50
Muktsar	50	150	-100
Fajlika	400	600	-200
Khandwa	-	-	-

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

Cotton Association of India Spot Rates: 02/5/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (02/5/2012)	Rs. Per Candy (01/5/2012)	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	31100	Unch
H-4/ MECH-1	28mm	3.5 - 4.9	25	33600	33600	Unch
Shankar-6	29mm	3.5 - 4.9	26	35000	34900	+100
Bunny/ Brahma	31mm	3.5 - 4.9	27	36000	35800	+200
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q	N.Q	-
DCH-32	35mm	2.8 - 3.6	31	46500	46000	+500

Cotlook Index: As on 02/5/2012

Cotlook Indices	Cents/Pound	Change
A-Index	98.00	+0.15

China Cotton Index: As on 03/5/2012

Index	RMB/Ton	Change
CCIndex(328)	19330	-2
CCIndex(527)	16811	0
CCIndex(229)	20652	-7

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

USDA Cotton Spot Rates: As on 02/5/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.76	85.76	NIL
North Delta	82.01	83.01	NIL
South Delta	82.01	83.01	NIL
East TX-OK	78.25	83.25	141
West Texas	78.50	84.75	185
Desert SW	80.76	87.26	NIL
SJ Valley	81.51	91.91	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 02/5/2012

Contract	Open	High	Low	Close	Change
May-12	87.46	87.46	87.46	87.46	-0.05
Jul-12	89.51	89.94	88.85	89.51	-0.17
Oct-12	88.41	89.58	88.41	89.03	-0.17
Dec-12	86.88	87.18	85.96	86.58	-0.36
Mar-13	87.85	88.13	87.1	88.02	+0.13
May-13	87.77	89.18	87.77	89.17	+0.79

Pakistan Cotton Spot rates: As on 02/5/2012 (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.