

Cotton Domestic Fundamentals:

- Steady to firm tone witnessed in the cotton spot market on Friday on back of good demand and lower supplies.
- Arrivals were registered down in the market.
- Pakistan and Bangladesh are enquiring for Indian raw cotton in upcoming days.
- Farmers in India are likely to switch towards Chili, Soybean, Guar, Groundnut and Maize in 2012/13 cotton planting season.
- The Commission for Agriculture Costs and Prices suggested government to increase MSP by 28.5% to 3600-3900 Rs/Quintal for 2012/13 cotton crop against 2,800-3,300 Rs/ Quintal in previous year.

Cotton International Fundamentals

- According to the sources, China is enquiring further import shipments from U.S and Bangladesh despite India on account of changeable policies in cotton export. China will continue to buy cotton from International market since the global prices is lower than the domestic prices. However, recent fall in exports of textile products in China will reduce cotton demand.
- Pakistan imported more than one billion bales of better quality cotton from India, Brazil during May 2011 to March 2012.

Outlook: Domestic and International

We expect domestic cotton prices to decline in next day on profit booking phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-3	1090	1104.5	1064	1093.5
Mar-13	-	-	-	-	-
Apr-13	-3	1121.5	1123.5	1081.5	1114

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	59	21	49	-1
Mar-13	0	-2	7	-1
Apr-13	1890	35	1142	30

Spread

Feb-13	Mar-13	Apr-13
Basis	-283	
Feb-13		-314
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	0.62	17950	18040	17890	17990
29-Jun-12	0.71	18400	18450	18300	18410
31-Jul-12	0.48	18720	18790	18670	18750
31-Aug-12	0.85	19000	19050	19000	19050

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	04-5-2012	03-5-2012	
Kadi-Bt Cotton#	4000-4500	3900-4500	Unch
Amravati-Vunni Mech-1#	3950-4025	3900-3925	+100
Ahmedabad-Shankar-6#	3750-4250	3750-4250	Unch
Abohar-J-34*	3840	3770	+70
Muktsar-J-34*	3840	3770	+70
Fajlika#	4350	4350	Unch
Khandwa#	-	-	-

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	04-5-2012	03-5-2012	
Kadi -Bt Cotton	100	125	-25
Amravati -Vunni Mech-1	2000	3000	-1000
Ahmedabad - Shankar-6	20000	25000	-5000
Abohar	150	250	-100
Muktsar	50	50	Unch
Fajlika	300	400	-100
Khandwa	-	-	-

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

Cotton Association of India Spot Rates: 03/5/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (03/5/2012)	Rs. Per Candy (02/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34200	33800	+400
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35400	34900	+500
J-34	25mm	3.5 - 4.9	23	31700	31100	+600
H-4/ MECH-1	28mm	3.5 - 4.9	25	33700	33600	+100
Shankar-6	29mm	3.5 - 4.9	26	35200	35000	+200
Bunny/ Brahma	31mm	3.5 - 4.9	27	36200	36000	+200
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q	N.Q	-
DCH-32	35mm	2.8 - 3.6	31	47000	46500	+500

Cotlook Index: As on 03/5/2012

Cotlook Indices	Cents/Pound	Change
A-Index	97.95	-0.05

China Cotton Index: As on 04/5/2012

Index	RMB/Ton	Change
CCIndex(328)	19328	-2
CCIndex(527)	16809	-2
CCIndex(229)	20595	-57

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

USDA Cotton Spot Rates: As on 03/5/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.46	86.46	959
North Delta	82.71	83.71	NIL
South Delta	82.71	83.71	NIL
East TX-OK	78.75	83.75	NIL
West Texas	79.00	85.25	1056
Desert SW	80.46	86.96	NIL
SJ Valley	81.21	91.61	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 03/5/2012

Contract	Open	High	Low	Close	Change
May-12	88.04	88.04	87.24	87.24	-0.22
Jul-12	89.21	89.74	89.05	89.21	-0.3
Oct-12	88.69	88.85	88.69	88.85	-0.18
Dec-12	86.3	86.79	86	86.52	-0.06
Mar-13	87.73	88.02	87.31	87.78	-0.24
May-13	88.65	88.79	88.32	88.77	-0.4

Pakistan Cotton Spot rates: As on 03/5/2012 (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

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