

Cotton Domestic Fundamentals:

- Steady to firm tone continued in the cotton spot market on Saturday on back of strong exporters demand.
- Arrivals were noted down steady to upside in the different markets as sellers are getting better prices as on date compared to prevailing prices of April month due to a cap on raw cotton export.
- Farmers in Punjab hold nominal 2 to 3% cotton crops as on date.
- Exporters are demanding for quality cotton crop as on date to gain higher profit around Rs. 1800 to 2,000 for a candy of 356 kg at the current price amid weak Indian rupee.
- Most traded cotton variety Shankar-6 reported higher price at 35500 as on 4th May 2012 against previous day price at 35200 per candy (1 candy = 356 kgs).

Cotton International Fundamentals

- According to cotton consultant, Pakistan cotton production may be set at 17 million bales in next season started in August 2012- July 2013.
- 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 price to continue bullish phase on improving export demand.

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

Contract	+/-	Open	High	Low	Close
Feb-13	14.5	1106.5	1112	1087.5	1100.5
Mar-13	-4	1112	1118.5	1090	1106
Apr-13	-2	1109	1124	1098	1110

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	28	-31	55	6
Mar-13	6	6	6	6
Apr-13	1064	-826	1402	260

Spread

	Feb-13	Mar-13	Apr-13
Basis	-300.5		
Feb-13		5.50	
April-13			4.00

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	-	-	-	-	-
29-Jun-12	-	-	-	-	-
31-Jul-12	-	-	-	-	-
31-Aug-12	-	-	-	-	-

*Prices are not received on MCX site.

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	05-5-2012	04-5-2012	
Kadi-Bt Cotton#	4250-4650	4000-4500	+150
Amravati-Vunni Mech-1#	4050-4100	3950-4025	+75
Ahmedabad-Shankar-6#	3750-4250	3750-4250	Unch
Abohar-J-34*	3910	3840	+70
Muktsar-J-34*	3910	3840	+70
Fajlika#	3800-4350	4350	Unch
Khandwa#	-	-	-

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	05-5-2012	04-5-2012	
Kadi -Bt Cotton	100	100	Unch
Amravati -Vunni Mech-1	2000	2000	Unch
Ahmedabad - Shankar-6	25000	20000	+5000
Abohar	150	150	Unch
Muktsar	-	50	-
Fajlika	1000	300	+700
Khandwa	-	-	-

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

Cotton Association of India Spot Rates: 04/5/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (04/5/2012)	Rs. Per Candy (03/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34400	34200	+200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35500	35400	+100
J-34	25mm	3.5 - 4.9	23	32300	31700	+600
H-4/ MECH-1	28mm	3.5 - 4.9	25	34000	33700	+300
Shankar-6	29mm	3.5 - 4.9	26	35500	35200	+300
Bunny/ Brahma	31mm	3.5 - 4.9	27	36500	36200	+300
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q	N.Q	-
DCH-32	35mm	2.8 - 3.6	31	47500	47000	+500

Cotlook Index: As on 04/5/2012

Cotlook Indices	Cents/Pound	Change
A-Index	97.90	-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 04/5/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.24	85.24	NIL
North Delta	81.49	82.49	NIL
South Delta	81.49	82.49	NIL
East TX-OK	78.75	83.75	50
West Texas	78.50	84.75	55
Desert SW	79.24	85.74	NIL
SJ Valley	79.99	90.39	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 04/5/2012

Contract	Open	High	Low	Close	Change
May-12	87.23	87.23	86.07	86.07	-1.17
Jul-12	89.33	89.56	87.91	87.99	-1.22
Oct-12	87.82	87.82	87.82	87.82	-1.03
Dec-12	86.60	86.77	85.50	85.80	-0.72
Mar-13	87.81	87.81	86.63	86.76	-1.02
May-13	88.49	88.49	87.61	87.67	-1.10

Pakistan Cotton Spot rates: As on 04/5/2012 (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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