

Cotton Domestic Fundamentals:

- Weak tone featured in the Cotton spot markets on Tuesday due to lackluster trading activities.
- Arrivals pace has been noted with mixed phase.
- The Cotton Corporation of India has accumulated more than 12 lakh quintal of cotton across India through commercial operations so far in the current season which runs from October to September.
- According to the sources, India has identified new export destinations like Africa and Latin America and makes a plan to achieve textile and garment export target at US \$ 38 billion for the current fiscal year.
- 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 ICAC, a decrease in global cotton area will prompt cotton production down by 7% to 115.74 million bales in 2012/13.
- Cotton planting superior without any disruption in the United State region. Local professionals estimated that approximately 70-75 percent of the crop was planted. The crop made good progress in Yuma, Arizona. Seedlings were emerging in central Arizona, New Mexico, and El Paso, Texas. No insect pressures and wetness was recorded in the period.

Outlook: Domestic and International

We expect domestic cotton price to be volatile amid ups and downs in domestic demand.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-18	1074	1081	1051	1065
Mar-13	-41	1065	1068	1065	1068
Apr-13	-11	1078	1088	1057	1073.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	30	-9	57	2
Mar-13	2	1	4	-2
Apr-13	1639	135	1373	-24

Spread	Feb-13	Mar-13	Apr-13
Basis	-265		
Feb-13		3.00	
April-13			5.50

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	-1.64	17420	17420	17100	17340
29-Jun-12	-1.66	17770	17850	17510	17750
31-Jul-12	-1.46	18000	18240	17970	18190
31-Aug-12	-1.17	18550	18690	18550	18580

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	08-5-2012	07-5-2012	
Kadi-Bt Cotton#	4075-4500	4350-4600	-100
Amravati-Vunni Mech-1#	4150	-	-
Ahmedabad-Shankar-6#	3750-4250	3750-4250	Unch
Abohar-J-34*	3850	3880	-30
Muktsar-J-34*	3860	3880	-20
Fajlika#	4350	4380	-30
Khandwa#	-	-	-

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	08-5-2012	07-5-2012	
Kadi -Bt Cotton	125	125	Unch
Amravati -Vunni Mech-1	3000	-	-
Ahmedabad - Shankar-6	20000	20000	Unch
Abohar	100	190	-90
Muktsar	20	-	-
Fajlika	400	80	+320
Khandwa	-	-	-

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

Cotton Association of India Spot Rates: 05/5/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (05/5/2012)	Rs. Per Candy (04/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34600	34400	+200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35800	35500	+300
J-34	25mm	3.5 - 4.9	23	32700	32300	+400
H-4/ MECH-1	28mm	3.5 - 4.9	25	34100	34000	+100
Shankar-6	29mm	3.5 - 4.9	26	35700	35500	+200
Bunny/ Brahma	31mm	3.5 - 4.9	27	36500	36500	Unch
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q	N.Q	-
DCH-32	35mm	2.8 - 3.6	31	48000	47500	+500

Cotlook Index: As on 04/5/2012

Cotlook Indices	Cents/Pound	Change
A-Index	97.90	-0.05

China Cotton Index: As on 08/5/2012

Index	RMB/Ton	Change
CCIndex(328)	19318	-2
CCIndex(527)	16801	-8
CCIndex(229)	20552	-18

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

USDA Cotton Spot Rates: As on 07/5/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	80.92	83.92	NIL
North Delta	80.17	81.17	NIL
South Delta	80.17	81.17	NIL
East TX-OK	77.50	82.50	874
West Texas	77.75	84.00	226
Desert SW	77.92	84.42	NIL
SJ Valley	78.67	89.07	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 07/5/2012

Contract	Open	High	Low	Close	Change
May-12	84.84	84.84	84.84	84.84	-1.23
Jul-12	88.01	88.42	86.1	86.67	-1.32
Oct-12	87.79	87.79	86.89	87.6	-0.22
Dec-12	85.8	86	84.26	84.73	-1.07
Mar-13	86.76	86.76	85.27	85.72	-1.04
May-13	87.6	87.6	86.3	86.61	-1.06

Pakistan Cotton Spot rates: As on 07/5/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6200	130	6330
Equivalent	40 Kgs	6645	130	6775

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