

Cotton Domestic Fundamentals:

- Steady to weak tone featured in the cotton spot markets on Tuesday due to higher supplies against moderate demand.
- Arrivals were registered on mixed note.
- Slow buying activities of millers as well as exporters were seen in the markets which weigh on the markets as exporters expect further fall in the cotton prices.
- According to the ministry of textile, Man-Made fibre production in Madhya Pradesh is projected an increase by 7.7% to 142.46 in 2011/12 against previous year record to 132.2 million kgs. However, a sharp decline near 18% to 229.63 million kgs has been projected in Maharashtra in 2011/12.

Cotton International Fundamentals

- Overall US export in March 2011 has been registered down by 20% from the record in March 2011 as overseas buyers are demanding only some specific varieties of US cotton.
- As per USDA, China import is expected to reduce to 14 million bales in 2012/13 from 21.5 million bales in 2011/2012.

Outlook: Domestic and International

The cotton prices may improve in next trading sessions.

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

Contract	+/-	Open	High	Low	Close
Feb-13	39.5	990.5	1016	970	1016
Mar-13	-3	991	993	991	993
Apr-13	39.5	981	1018.5	975.5	1018.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	61	31	56	13
Mar-13	2	2	4	4
Apr-13	2260	850	1157	-119

Spread

Feb-13	Mar-12	Apr-13
Basis	-226	
Feb-13	-23.00	
Mar-13		25.50
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	2.55	16400	16950	16400	16900
29-Jun-12	2.67	16920	17350	16820	17320
31-Jul-12	2.6	17330	17750	17230	17740
31-Aug-12	1.98	17700	18140	17680	18010

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	15-5-2012	14-5-2012	
Kadi-Bt Cotton#	3700-4100	3900-4200	-100
Amravati-Vunni Mech-1#	3950	3950	Unch
Ahmedabad-Shankar-6#	-	-	-
Abohar-J-34*	3650	3680	-30
Muktsar-J-34*	3650	3680	-30
Fajlika#	4115	4165	-50
Khandwa#	3200-3800	3400-3800	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	15-5-2012	14-5-2012	
Kadi -Bt Cotton	75	75	Unch
Amravati -Vunni Mech-1	4000	3000	+1000
Ahmedabad - Shankar-6	-	-	-
Abohar	150	250	-100
Muktsar	-	100	-
Fajlika	100	60	+40
Khandwa	1700	1200	+500

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

Cotton Association of India Spot Rates: 14/5/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (14/5/2012)	Rs. Per Candy (12/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33400	33800	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34400	34800	-400
J-34(202)	26mm	3.5 - 4.9	23	32300	32500	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34800	34800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	35000	33900	+1100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36500	35000	+1500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	36500	-500
DCH-32(107)	34mm	3.0 - 3.8	33	45000	44500	+500

Cotlook Index: As on 14/5/2012

Cotlook Indices	Cents/Pound	Change
A-Index	87.45	-2.10

China Cotton Index: As on 15/5/2012

Index	RMB/Ton	Change
CCIndex(328)	19222	-47
CCIndex(527)	16716	-20
CCIndex(229)	20446	-29

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

USDA Cotton Spot Rates: As on 14/5/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	73.07	76.07	163
North Delta	72.32	73.32	NIL
South Delta	72.32	73.32	NIL
East TX-OK	70.75	75.75	NIL
West Texas	71.00	77.25	NIL
Desert SW	70.07	76.57	NIL
SJ Valley	70.82	81.22	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 14/5/2012

Contract	Open	High	Low	Close	Change
Jul-12	78.77	79.9	77.85	78.82	-0.15
Oct-12	78.72	78.72	78.72	78.72	0.24
Dec-12	76.37	77.4	75.4	76.7	0.36
Mar-13	77.1	78.51	76.8	77.85	0.27
May-13	78.56	79.31	77.73	78.85	0.14
Jul-13	79.42	80	78.87	79.56	0.01

Pakistan Cotton Spot rates: As on 14/5/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6000	130	6130
Equivalent	40 Kgs	6430	130	6560

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