

## Cotton Domestic Fundamentals:

- Mixed tone featured in the cotton spot markets on Friday due to ups and downs in demand.
- In Khandwa market price increased after rising demand against lower supplies.
- The cotton corporation of India has started to procure cotton through commercial operations in the states of Gujarat, Maharashtra and Andhra Pradesh following the direction of Government to build a buffer stock of 10 lakh bales of cotton.
- CCI buying activities on commercial prices may weigh on the market in positive tone. However, slow overseas demand may restrict cotton prices uptrend.
- Domestic buyers are slight active to fulfill their daily consumptions rather than exporters as foreign demand is dampening.
- About 50% sowing of cotton has been completed in Punjab so far in 2012. However, 20 to 25% cotton area is likely to shift towards Guar due to higher profit realization as sources said.

## Cotton International Fundamentals

- According to China Customs, China has imported total 3.241 million ton cotton up by 86.6% during March month in 2011/12.
- However, China import is expected to reduce to 14 million bales in 2012/13 from 21.5 million bales in 2012/2013 as per USDA.

## Outlook: Domestic and International

We expect domestic cotton price to continue bullish phase amid strong millers buying activities.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-5	985.5	997	985	990
Apr-13	-6.5	1007	1007	986.5	993.5

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	24	4	49	-1
Apr-13	871	81	1360	-39

### Spread

	Feb-13	Apr-13
Basis	-195	
Feb-13		3.50
April-13		

**NB:** Spread was done by taking avg spot prices at Amravati –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	-0.78	16630	16800	16490	16520
29-Jun-12	-0.82	17030	17200	16880	16910
31-Jul-12	-0.74	17450	17600	17300	17340
31-Aug-12	-0.28	17850	17870	17700	17820

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	18-5-2012	17-5-2012	
Kadi-Bt Cotton#	3600-4100	3750-4100	Unch
Amravati-Vunni Mech-1#	3950-4000	3950-4000	Unch
Ahmedabad-Shankar-6#	-	-	-
Abohar-J-34*	3670	3660-3680	-10
Muktsar-J-34*	3670	3680	-10
Fajlika#	4190	4150	+40
Khandwa#	3200-3875	3200-3800	+75

\*-Rs/maund, #-Rs.qtl

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	18-5-2012	17-5-2012	
Kadi -Bt Cotton	125	150	-25
Amravati -Vunni Mech-1	5000	3000	+2000
Ahmedabad - Shankar-6	-	-	-
Abohar	200	300	-100
Muktsar	-	50	-
Fajlika	700	500	+200
Khandwa	1000	1200	-200

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

**Cotton Association of India Spot Rates: 17/5/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (17/5/2012)	Rs. Per Candy (16/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33400	33700	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34400	34700	-300
J-34(202)	26mm	3.5 - 4.9	23	32500	32700	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34700	35200	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	34100	-400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34900	35100	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35900	36100	-200
DCH-32(107)	34mm	3.0 - 3.8	33	44800	45000	-200

**Cotlook Index: As on 17/5/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	85.50	-2.20

**China Cotton Index: As on 18/5/2012**

Index	RMB/Ton	Change
CCIndex(328)	19006	-49
CCIndex(527)	16655	-12
CCIndex(229)	20298	-23

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

**USDA Cotton Spot Rates: As on 17/5/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.15	74.15	NIL
North Delta	70.15	71.15	NIL
South Delta	70.15	71.15	NIL
East TX-OK	68.75	73.75	47
West Texas	69.00	75.25	64
Desert SW	67.90	74.40	NIL
SJ Valley	68.68	79.05	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 17/5/2012**

Contract	Open	High	Low	Close	Change
Jul-12	77.1	78.23	76.26	76.65	-0.32
Oct-12	76.58	77	75.43	75.83	-0.75
Dec-12	75	75.6	73.78	73.9	-0.71
Mar-12	76.45	76.77	75.1	75.1	-0.79
May-12	77.08	77.65	76.1	76.1	-1.01
Jul-12	78.07	78.53	77.03	77.03	-1.03

**Pakistan Cotton Spot rates: As on 17/5/2012 (in Pakistan Rupees)**

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

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