

Cotton Domestic Fundamentals:

- Cotton spot markets witnessed steady to weak on dull trading activities except Kadi market which closed on upper side on Monday.
- As per market source, about 20% cut in cotton sowing area could be seen during this sowing season in 2012.
- Farmers in India has covered total 14 to 15% of cotton sowing area so far started from 1st April 2012 against 37% of previous year sown area during the same time period of time.
- In Gujarat Chief Minister Mr. Narendra Modi said that state government has stored a stock of 50,000 quintal of quality seeds which is enough to reap seeds requirements in the current sowing season 2012.
- In Muktsar, the district of Punjab, only 25 per cent of the estimated area has seen covered under cotton began from April 1 to May 15, 2012 as large chunk of land was still occupied by wheat stubble while farmers are busy selling their crops in mandis.

Cotton International Fundamentals

- China is likely to curb on cotton import and may fulfill their daily cotton demand from its domestic markets in future as per market source. China has imported lower cotton around 5, 10,000 tonnes in April month against March month i.e. 625,196 tonnes in this year.
- As per National Agriculture Statistics Service, Planting in Mississippi increased to 90% against 51% of previous year due to favorable weather condition. While, sowing in Louisiana is heading to complete by the end of the week.

Outlook: Domestic and International

We expect domestic cotton prices continue on bearish phase due to poor buying activities.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-3.5	988.5	991.5	979	979
Apr-12	-23	969	969	961	962
Apr-13	-21.50	991.5	997	957	963.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	6	-9	46	-1
Apr-12	4	2	5	1
Apr-13	1954	1198	1261	-69

Spread	Feb-13	Apr-12	Apr-13
Basis	-189		
Feb-13		-17.00	
April-12			1.50
April-13			

NB: Spread was done by taking avg spot prices at Kadi 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	-0.56	17750	17750	17530	17600
29-Jun-12	-0.69	17370	17380	17130	17190
31-Jul-12	-0.65	16920	16960	16720	16800
31-Aug-12	-0.67	16600	16600	16330	16400

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	21-5-2012	19-5-2012	
Kadi-Bt Cotton#	3800-4100	3600-4150	-50
Amravati-Vunni Mech-1#	3900	-	-
Ahmedabad-Shankar-6#	-	-	-
Gondal	2555-3995	2255-3995	Unch
Abohar-J-34*	3590	3600	-10
Muktsar-J-34*	3590	4200	-10
Fajlika#	3750-4200	4200	Unch
Khandwa	-	3400-3875	-

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	21-5-2012	19-5-2012	
Kadi -Bt Cotton	75	125	-50
Amravati -Vunni Mech-1`	4000	-	-
Ahmedabad - Shankar-6	-	-	-
Gondal	907	970	-63
Abohar	50	500	-
Muktsar	250	500	-250
Fajlika	700	900	-200
Khandwa	-	500	-

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

Cotton Association of India Spot Rates: 18/5/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (18/5/2012)	Rs. Per Candy (17/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33200	33400	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34200	34400	-200
J-34(202)	26mm	3.5 - 4.9	23	32200	32500	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32700	33000	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	33700	
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34700	34900	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35900	35900	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	44800	44800	Unch

Cotlook Index: As on 18/5/2012

Cotlook Indices	Cents/Pound	Change
A-Index	85.40	-0.10

China Cotton Index: As on 21/5/2012

Index	RMB/Ton	Change
CCIndex(328)	18970	-36
CCIndex(527)	16626	-29
CCIndex(229)	20270	-28

USDA Cotton Spot Rates: As on 18/5/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.49	75.49	NIL
North Delta	71.49	72.49	NIL
South Delta	71.49	72.49	NIL
East TX-OK	69.75	74.75	183
West Texas	70.00	76.25	28
Desert SW	69.74	76.24	NIL
SJ Valley	70.49	80.89	500

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 18/5/2012

Contract	Open	High	Low	Close	Change
Jul-12	76.75	78.12	76.47	77.99	1.34
Oct-12	76.97	76.97	76.97	76.97	1.14
Dec-12	74	75.56	74	75.21	1.31
Mar-12	75.35	76.78	75.35	76.45	1.35
May-12	76.33	77.75	76.33	77.47	1.37
Jul-12	77.21	78.69	77.21	78.39	1.36

Pakistan Cotton Spot rates: As on 19/5/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5900	130	6030
Equivalent	40 Kgs	6323	130	6453

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