

Cotton Domestic Fundamentals:

- Steady to week tone extended in most of the markets despite Kadi market which closed on higher side on Tuesday.
- As on May 20, arrivals stood at 31.7 million bales of 170 kg each as against 31.9 million bales a year earlier.
- According to Mr. K.N. Viswanathan, Vice-President, Indian Cotton Federation, Indian cotton prices are quoting little bit higher than the international price. China is not interested to be in the market for some time and the demand is low from other countries too because of the economic crisis in some of the European countries.
- The domestic yarn market is down compared with last month as most mills are buying only for a month to a month-and-a-half. This is weighing on raw cotton demand.

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	-20	965	965	952	959
Apr-13	-8.5	961	967	947.5	955.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	14	8	40	-6
Apr-13	1332	-622	1336	75

Spread Feb-13 Apr-13

Basis	-244	
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	-1.59	16480	16480	16060	16140
29-Jun-12	-1.61	16860	16860	16420	16530
31-Jul-12	-1.86	17260	17260	16820	16880
31-Aug-12	-1.59	18000	18000	17250	17290

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	22-5-2012	21-5-2012	
Kadi-Bt Cotton#	3750-4050	3800-4100	-50
Amravati-Vunni Mech-1#	3350-3800	3900	-100
Ahmedabad-Shankar-6#	-	-	-
Gondal	2605-3995	2555-3995	Unch
Abohar-J-34*	3570	3590	-20
Muktsar-J-34*	3570	3590	-20
Fajlika#	3750-4200	3750-4200	Unch
Khandwa	3400-3800	-	-

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	22-5-2012	21-5-2012	
Kadi -Bt Cotton	75	75	Unch
Amravati -Vunni Mech-1`	4500	4000	+500
Ahmedabad - Shankar-6	-	-	-
Gondal	896	907	-11
Abohar	300	250	+50
Muktsar	100	-	-
Fajlika	800	700	+100
Khandwa	800	-	-

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

Cotton Association of India Spot Rates: 21/5/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (22/5/2012)	Rs. Per Candy (21/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15		33000	
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15		34000	
J-34(202)	26mm	3.5 - 4.9	23		31000	
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27		33400	
Shankar-6(105)	29mm	3.5 - 4.9	28		33400	
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30		34500	
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31		35500	
DCH-32(107)	34mm	3.0 - 3.8	33		44000	

Cotlook Index: As on 21/5/2012

Cotlook Indices	Cents/Pound	Change
A-Index	86.40	+1.00

China Cotton Index: As on 22/5/2012

Index	RMB/Ton	Change
CCIndex(328)	18928	-42
CCIndex(527)	16552	-74
CCIndex(229)	20235	-35

USDA Cotton Spot Rates: As on 21/5/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	73.02	76.02	100
North Delta	72.02	73.02	NIL
South Delta	72.02	73.02	NIL
East TX-OK	69.25	74.25	556
West Texas	69.50	75.75	159
Desert SW	69.27	75.77	NIL
SJ Valley	70.02	80.67	169

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 21/5/2012

Contract	Open	High	Low	Close	Change
Jul-12	77.99	79.05	76.49	77.52	-0.47
Oct-12	78.20	78.20	76.02	76.67	-0.30
Dec-12	75.35	76.30	73.75	74.57	-0.64
Mar-12	76.80	77.39	75.15	75.90	-0.55
May-12	77.80	78.20	76.24	77.09	-0.38
Jul-12	78.74	78.76	77.26	78.15	-0.24

Pakistan Cotton Spot rates: As on 21/5/2012 (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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