

Cotton Domestic Fundamentals:

- Ups and downs trend featured in the cotton spot markets on Tuesday.
- Arrivals were registered continued on mixed phase.
- Improved ginners demand lent support to cotton prices mainly in Ahmadabad, Kadi and Fajlika.
- While, lackluster exporters demand is curbing any pick and sustainable rise in cotton prices.
- As per sources, farmers in Haryana have already started to shift cotton area towards Guar in this sowing season. While in Gujarat, farmers are in opinion to shift cotton area towards Groundnut, Soybean and Guar due to higher realizations.

Cotton International Fundamentals

- Recent sown cotton crop in Yuma has begun to bloom. While in Arizona, cotton sowing is near to complete phase supported by favorable weather condition. In southern California, cotton crops stand made good progress. Source: USDA
- According to the Federal Bureau of Statistics (FBS) figures, Pakistan imported 5.19 million tons of polyester yarn in 2009-10, which increased to 27.616 million tons in 2010-11. Cotton fabric imports reached 120.53 million square metres during first half of the current fiscal which began on June 1, 2011, 107 percent up from imports worth 58.36 million square metres registered during the corresponding period of last year.

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	14.5	951	976	951	967
Apr-13	16	961	977	955	974

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	22	5	38	-1
Apr-13	1,299	397	1307	-45

Spread Feb-13 Apr-13

Basis	-214.5	
Feb-13		7.00
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	0.56	16100	16100	15970	16040
29-Jun-12	1.36	16300	16480	16270	16440
31-Jul-12	1.33	16650	16840	16640	16800
31-Aug-12	1.42	16990	17180	16960	17140

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	29-5-2012	28-5-2012	
Kadi-Bt Cotton#	3600-4075	3750-4000	+75
Amravati-Vunni Mech-1#	3650-3750	3800	-50
Ahmedabad-Shankar-6#	3625-3900	3625-3875	+25
Gondal	2305-3995	-	-
Rajkot	3600-4065	-	-
Abohar-J-34*	3535	3570	-35
Muktsar-J-34*	3535	3570	-35
Fajlika#	3650-4070	3650-4050	+20
Khandwa	-	-	-

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	29-5-2012	28-5-2012	
Kadi -Bt Cotton	10	25	-15
Amravati -Vunni Mech-1`	3000	4000	-1000
Ahmedabad - Shankar-6	18000	15000	+3000
Gondal	635	-	-
Rajkot	2500	-	-
Abohar	200	200	Unch
Muktsar	20	20	Unch
Fajlika	700	800	-100
Khandwa		-	-

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

Cotton Association of India Spot Rates: 28/5/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (28/5/2012)	Rs. Per Candy (26/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33500	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34700	34500	+200
J-34(202)	26mm	3.5 - 4.9	23	30100	30200	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32100	31900	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	32900	32200	+700
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	34900	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	35900	+100
DCH-32(107)	34mm	3.0 - 3.8	33	46500	46000	+500

Cotlook Index: As on 28/5/2012

Cotlook Indices	Cents/Pound	Change
A-Index	83.10	-0.20

China Cotton Index: As on 29/5/2012

Index	RMB/Ton	Change
CCIndex(328)	18798	-30
CCIndex(527)	16503	-17
CCIndex(229)	20037	-53

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

USDA Cotton Spot Rates: As on 25/5/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	70.62	73.62	NIL
North Delta	69.62	70.62	NIL
South Delta	69.62	70.62	NIL
East TX-OK	65.75	70.75	NIL
West Texas	66.00	72.25	79
Desert SW	65.37	71.87	NIL
SJ Valley	66.12	76.77	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 25/5/2012

Contract	Open	High	Low	Close	Change
Jul-12	74.30	74.76	72.65	73.62	-0.32
Oct-12	73.00	73.00	72.18	72.72	+0.23
Dec-12	70.79	71.40	69.67	70.89	+0.22
Mar-13	71.81	72.62	71.12	72.17	+0.17
May-13	72.83	73.75	72.38	73.56	+0.26
Jul-13	74.13	74.92	73.66	74.92	+0.34

Pakistan Cotton Spot rates: As on 26/5/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5600	130	5730
Equivalent	40 Kgs	6002	130	6132

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