

**Cotton Domestic Fundamentals:**

- Most of the markets like Ahmadabad, Fajlika, and Sri-Ganganar witnessed a steady movement, while others like Abohar and Muktsar closed on higher side on Thursday.
- Kadi market reported lower prices amid sluggish demand.
- Several markets like Khandawa, Gondal and Rajkot were closed today.
- Exporters buying are continuing missing in the markets.
- In Rajasthan, farmers have covered 40% cotton crops in the water availability areas as on date. However, they could shift about 20 to 25% of cotton area towards Guar on attractive returns.
- Cotton sowing has been completed around 15 to 20% under cotton especially in irrigated parts of Maharashtra as on date. Major Cotton sowing will commence after monsoon probably by 15th of June 2012. Farmers are holding below 10% cotton crops in hand further to delivery in the markets.
- India may have 15% lower cotton planting against 12.2 million hectares sowed in 2011/12 as per the Cotton Association of India. According to USDA report, there is likely to be a decline in the cotton crop in 2012/13 to 32.3 million bales (1 bale=170kgs) in comparison to the current year crop of 34.3 million bales due to the lower planting area.

**Cotton International Fundamentals**

- According to WASDE report, world cotton production 2012/13 is projected down to 116.4 million bales against 123.04 million bales of previous year in anticipation of that major cotton areas in major producing countries like India and USA would shift towards other profitable crops like Groundnut, soybean etc.
- On other hand, Chinese government has promised to buy cotton at above market price to increase cotton planting. Market sources said that the government will buy new crops at 20,400 Yuan (\$3,215) a ton.

**Outlook: Domestic and International**

We anticipate weak tone of the market in upcoming days due to dull demand.

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

| Contract | +/-  | Open | High | Low | Close |
|----------|------|------|------|-----|-------|
| Feb-13   | -7.5 | 952  | 960  | 952 | 957.5 |
| Apr-13   | -10  | 953  | 967  | 951 | 953.5 |

**Volumes and OI in Lots**

| Contract | Volume | Change | OI   | Change |
|----------|--------|--------|------|--------|
| Feb-13   | 23     | 17     | 45   | 7      |
| Apr-13   | 926    | -159   | 1398 | 77     |

| Spread   | Feb-13 | Apr-13 |
|----------|--------|--------|
| Basis    | -182.5 |        |
| Feb-13   |        | -4.00  |
| 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 | -1.19    | 15900 | 15900 | 15700 | 15720 |
| 29-Jun-12 | -1.47    | 16400 | 16400 | 16040 | 16060 |
| 31-Jul-12 | -1.44    | 16570 | 16670 | 16420 | 16440 |
| 31-Aug-12 | -1.35    | 17040 | 17040 | 16800 | 16820 |

**Cotton Prices at Key Spot Markets**

| Centre (1 bale = 170 Kg) | Prices (Rs/Qtl) |           | Change      |
|--------------------------|-----------------|-----------|-------------|
|                          | 31-5-2012       | 30-5-2012 |             |
| Kadi-Bt Cotton#          | 3750-4075       | 3750-4250 | <b>-175</b> |
| Amravati-Vunni Mech-1#   | 3350-3800       | -         | -           |
| Ahmedabad-Shankar-6#     | 3750-4000       | 3750-4000 | <b>Unch</b> |
| Gondal                   | -               | 2310-4035 | -           |
| Rajkot                   | -               | 3625-4100 | -           |
| Abohar-J-34*             | 3550            | 3540-3560 | <b>-10</b>  |
| Muktsar-J-34*            | 3550            | 3540-3560 | <b>-10</b>  |
| Fajlika#                 | 3600-4050       | 3650-4050 | <b>Unch</b> |
| Khandwa                  | -               | 3300-3750 | -           |
| Sri-Ganganagar           | 3250-3420       | 3250-3420 | <b>Unch</b> |

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

**Cotton Arrivals in Key Centers**

| Centre (1 bale = 170 Kg) | Arrivals  |           | Change      |
|--------------------------|-----------|-----------|-------------|
|                          | 31-5-2012 | 30-5-2012 |             |
| Kadi -Bt Cotton          | 15        | 25        | <b>-10</b>  |
| Amravati -Vunni Mech-1`  | 3500      | -         | -           |
| Ahmedabad - Shankar-6    | 15000     | 15000     | <b>Unch</b> |
| Gondal                   | -         | 784       | -           |
| Rajkot                   | -         | 3500      | -           |
| Abohar                   | -         | 250       | -           |
| Muktsar                  | -         | -         | -           |
| Fajlika                  | 500       | 700       | <b>-200</b> |
| Khandwa                  | -         | 700       | -           |
| Sri-Ganganagar           | -         | -         | -           |

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

**Cotton Association of India Spot Rates: 30/5/2012**

| Trade Name                            | Staple     | Micronaire | Strength/<br>GPT | Rs. Per<br>Candy<br>(30/5/2012) | Rs. Per<br>Candy<br>(29/5/2012) | Change      |
|---------------------------------------|------------|------------|------------------|---------------------------------|---------------------------------|-------------|
| Bengal Deshi (RG)/ Assam Comilla(101) | Below 22mm | 5.0 - 7.0  | 15               | 34400                           | 33900                           | <b>+500</b> |
| Bengal Deshi (SG)(201)                | Below 22mm | 5.0 - 7.0  | 15               | 35400                           | 34900                           | <b>+500</b> |
| J-34(202)                             | 26mm       | 3.5 - 4.9  | 23               | 30200                           | 30200                           | <b>Unch</b> |
| H-4/ MECH-1(105)                      | 28mm       | 3.5 - 4.9  | 27               | 32100                           | 32100                           | <b>Unch</b> |
| Shankar-6(105)                        | 29mm       | 3.5 - 4.9  | 28               | 33200                           | 33200                           | <b>Unch</b> |
| Bunny/ Brahma(105)                    | 31mm       | 3.5 - 4.9  | 30               | 35300                           | 35300                           | <b>Unch</b> |
| MCU-5/ Surabhi(106)                   | 32mm       | 3.3 - 4.9  | 31               | 36100                           | 36100                           | <b>Unch</b> |
| DCH-32(107)                           | 34mm       | 3.0 - 3.8  | 33               | 46700                           | 46700                           | <b>Unch</b> |

**Cotlook Index: As on 30/5/2012**

| Cotlook Indices | Cents/Pound | Change       |
|-----------------|-------------|--------------|
| A-Index         | 82.90       | <b>-0.20</b> |

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**China Cotton Index: As on 31/5/2012**

| Index        | RMB/Ton | Change     |
|--------------|---------|------------|
| CCIndex(328) | 18731   | <b>-28</b> |
| CCIndex(527) | 16379   | <b>-26</b> |

**USDA Cotton Spot Rates: As on 30/5/2012**

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|---------------------|---------------------|----------|
|             | cents/lb.           |                     | bales    |
| Southeast   | 67.91               | 70.91               | NIL      |
| North Delta | 66.91               | 67.91               | NIL      |
| South Delta | 66.91               | 67.91               | NIL      |
| East TX-OK  | 63.00               | 68.00               | NIL      |
| West Texas  | 65.25               | 69.50               | NIL      |
| Desert SW   | 62.66               | 69.16               | NIL      |
| SJ Valley   | 63.41               | 74.06               | 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 30/5/2012**

| Contract | Open  | High  | Low   | Close | Change |
|----------|-------|-------|-------|-------|--------|
| Jul-12   | 72.43 | 73.15 | 70.38 | 70.91 | -1.89  |
| Oct-12   | 71.70 | 71.70 | 71.48 | 71.59 | -1.12  |
| Dec-12   | 71.44 | 71.57 | 69.42 | 70.28 | -1.02  |
| Mar-13   | 73.00 | 73.07 | 71.50 | 72.30 | -0.70  |
| May-13   | 73.44 | 73.81 | 73.01 | 73.81 | -0.70  |
| Jul-13   | 74.76 | 75.53 | 74.76 | 75.37 | -0.79  |

**Pakistan Cotton Spot rates: As on 29/5/2012 (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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