

Cotton Domestic Fundamentals:

- Steady to weak tone seen in the cotton spot market due to sluggish ginners and spinners demand on Tuesday.
- However, cotton prices trended up in Khandwa market amid good spinners demand there.
- Ups and down in arrivals pace witnessed in all the major markets.
- Cotton sowing has been delayed due to late harvesting of wheat crops during 2011/12.
- As per Agriculture department total 15% of cotton area in India is likely to reduce during 2012/13.
- Haryana is likely to cover total cotton area about 6 lakh hectares in this year against 6.03 lakh hectares of previous year, while Punjab has targeted to cover 5 lakh hectares of cotton area against 5.60 lakh hectares of cotton planting in 2011/12.
- The Arrival of monsoon in Kerala has favored farmers further to cotton sowing in rain-fed area. It is expected to reach in Maharashtra nearly 48 hrs. as per IMD.

Cotton International Fundamentals

- As per market source, the import from US, EU and Japan declined by 6.55% in the first three months of 2012.
- As per ICAC forecast, cotton prices are weak on global phase in anticipation of higher ending stock to 14.46 million tons against previous year record 13.26 million tons despite a lower forecast of cotton production to 25.10 million tons in 2012/13.

Outlook: Domestic and International

We expect domestic cotton price to bearish phase amid poor millers buying activities.

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

Contract	+/-	Open	High	Low	Close
Feb-13	4	930	933	924.5	925
Mar-13	-7	925	925	925	925
Apr-13	-8.00	935.5	941	923.5	924

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	8	3	40	4
Mar-13	1	-1616	3	-1383
Apr-13	968	-	1415	-

Spread	Feb-13	Mar-13	Apr-13
Basis	-190		
Feb-13		Unch	
April-13			-1.00

NB: Spread was done by taking avg spot prices at

MCX Kapas Futures: (Prices in Rs/20/kg)

Contract	+/-	Open	High	Low	Close
Feb-13	6.7	935.5	944	923	925
Apr-13	-4.6	936	937	924	924.5

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	23	23	6	6
Apr-13	79	79	12	12

Spread	Feb-13	Apr-13
Basis	-190	
Apr-13		-0.50

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
29-Jun-12	-0.59	15230	15360	15060	15130
31-Jul-12	-0.71	15620	15710	15400	15440
31-Aug-12	-0.88	16000	16110	15810	15850

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	5-6-2012	4-6-2012	
Amravati-Vunni Mech-1#	3650	3700	Unch
Kadi-Bt Cotton#	3600-4000	3500-4000	-50
Ahmedabad-Shankar-6#	3500-3850	3500-3800	-75
Gondal	2580-3845	2500-3870	-125
Rajkot	3400-3900	3375-3900	-100
Abohar-J-34*	3450	3420	-
Muktsar-J-34*	3450	3420	-
Fajlika#	3700-3850	3500-3800	-250
Khandwa	3400-3700	3300-3750	+50
Sri-Ganganagar	3225-3350	3225-3400	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	5-6-2012	4-6-2012	
Amravati -Vunni Mech-1`	2000	2000	+5
Kadi -Bt Cotton	25	25	-2500
Ahmedabad - Shankar-6	15000	12000	-3000
Gondal	802	825	+295
Rajkot	4200	4500	+1700
Abohar	200	200	-
Muktsar	-	60	-
Fajlika	600	400	-100
Khandwa	100	150	-150
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: 2/6/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (2/6/2012)	Rs. Per Candy (1/6/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34200	34400	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35400	35500	-100
J-34(202)	26mm	3.5 - 4.9	23	29700	30300	-600
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31400	31900	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	32000	32800	-800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34500	35100	-600
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35500	36000	-500
DCH-32(107)	34mm	3.0 - 3.8	33	46500	47000	-500

Cotlook Index: As on 1/6/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.80	+0.25

China Cotton Index: As on 5/6/2012

Index	RMB/Ton	Change
CCIndex(328)	18598	-82
CCIndex(527)	16289	-26
CCIndex(229)	19771	-166

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

USDA Cotton Spot Rates: As on 1/6/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.59	68.59	NIL
North Delta	64.59	65.59	NIL
South Delta	64.59	65.59	NIL
East TX-OK	60.00	65.00	58
West Texas	60.25	66.50	87
Desert SW	60.34	66.84	NIL
SJ Valley	61.09	71.74	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 4/6/2012

Contract	Open	High	Low	Close	Change
Jul-12	68.59	69.06	66.10	68.53	-0.06
Oct-12	68.14	68.55	66.59	67.78	-1.07
Dec-12	67.49	67.95	64.61	67.06	-0.55
Mar-13	69.71	70.04	66.85	69.27	-0.56
May-13	68.19	70.81	68.19	70.81	-0.23
Jul-13	70.12	72.97	70.00	72.35	-0.21

Pakistan Cotton Spot rates: As on 2/6/2012 (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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