

Cotton Domestic Fundamentals:

- Mixed tone featured in the cotton spot markets on Wednesday amid patchy demand.
- Arrivals were also registered in mixed phase in the markets.
- As per market source, Cotton seed sellers in Gujarat and Maharashtra are facing 50% drop in sales of cotton seeds against previous year while in North India it is fell by 15% as farmers are planning to shift other remunerative kharif crops in this current season.
- In Gujarat, cotton seed sales is likely to touch below 30 lakh packets against 38 lakh packets of last year during this sowing season.
- Besides, there is illegal seed availability at the rate of Rs. 400 per 450gm packet (ball quard-2 variety) as compared to market prices under authorized sales at Rs. 930 per 450gm packet (ball quard-2 variety).
- Light rain in Rajasthan over the night is increasing the hope of farmers for getting timely rains recently.

Cotton International Fundamentals

- Ample Rain water in Texas, the top US producing state, helps to improve cotton planting. "In some places there were very good rains," says the National Weather Service's Matt Ziebell. This may pressurize ICE future price in anticipation of higher productions in the marketing season of 2012/13.

Outlook: Domestic and International

We expect domestic cotton price to trade on bearish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	31.5	925	966	925	960
Apr-13	37.5	931	965.5	925	965.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	31	926	962.3	923	956.3
Apr-13	35.6	928	965.4	928	963.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	16	8	43	3
Apr-13	2,381	2381	1461	1461

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	45	22	13	7
Apr-13	64	-15	27	15

Spread	Feb-13	Apr-13
Basis	-225	
Feb-13		5.50
April-13		

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

Spread	Feb-13	Apr-13
Basis	-221.3	
Apr-13		7.60

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	3.17	15250	15710	14780	15600
31-Jul-12	3.17	15560	16060	15290	15930
31-Aug-12	2.64	15980	16460	15700	16300

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	6-6-2012	5-6-2012	
Amravati-Vunni Mech-1#	3550	3650	-100
Kadi-Bt Cotton#	3575-4000	3600-4000	Unch
Ahmedabad-Shankar-6#	3500-3850	3500-3850	Unch
Gondal	2505-3885	2580-3845	+40
Rajkot	3425-3905	3400-3900	+5
Abohar-J-34*	3425	3450	-25
Muktsar-J-34*	3425	3450	-25
Fajlika#	3600	3700-3850	-250
Khandwa	3400-3700	3400-3700	Unch
Sri-Ganganagar	3110-3115	3225-3350	-235

*-Rs/maund, #-Rs. qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	6-6-2012	5-6-2012	
Amravati -Vunni Mech-1`	2500	2000	+500
Kadi -Bt Cotton	25	25	Unch
Ahmedabad - Shankar-6	15000	15000	Unch
Gondal	903	802	+101
Rajkot	3200	4200	-1000
Abohar	250	200	+50
Muktsar	-	-	-
Fajlika	400	600	-200
Khandwa	-	100	-
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: 5/6/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (5/6/2012)	Rs. Per Candy (2/6/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33900	34200	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	35400	-300
J-34(202)	26mm	3.5 - 4.9	23	29400	29700	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31800	31400	+400
Shankar-6(105)	29mm	3.5 - 4.9	28	35000	32000	+3000
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34500	-500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	35500	-500
DCH-32(107)	34mm	3.0 - 3.8	33	46000	46500	-500

Cotlook Index: As on 1/6/2012

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

China Cotton Index: As on 6/6/2012

Index	RMB/Ton	Change
CCIndex(328)	18545	-53
CCIndex(527)	16267	-22
CCIndex(229)	19696	-75

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

USDA Cotton Spot Rates: As on 5/6/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.89	66.89	NIL
North Delta	62.89	63.89	NIL
South Delta	62.89	63.89	NIL
East TX-OK	58.50	63.50	NIL
West Texas	58.75	65.00	21
Desert SW	58.64	65.14	NIL
SJ Valley	59.39	70.04	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 5/6/2012

Contract	Open	High	Low	Close	Change
Jul-12	68.46	69.85	66.79	66.89	-1.64
Oct-12	67.78	67.78	65	65.36	-2.42
Dec-12	67.1	67.69	65.26	65.36	-1.7
Mar-12	69	69.82	67.43	67.54	-1.73
May-12	70.61	71.13	68.7	68.83	-1.98
Jul-12	72.13	72.49	69.95	70.05	-2.3

Pakistan Cotton Spot rates: As on 5/6/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5500	130	5630
Equivalent	40 Kgs	5894	130	6024

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