

Cotton Domestic Fundamentals:

- Slight improved local mills demand pushed the cotton spot market prices up despite Punjab where demand was lower.
- Arrivals have been registered lower except Amravati market.
- In Gujarat, new grade S-6 cotton traded at Rs 32,000- 32,700 per candy and B grade cotton at Rs 31,500-32,000 per candy. Prices of New V 797 offered at Rs 26,000-26,800 a candy.
- Cotton yarn traded steady on back of normal demand. As per market source polyester prices likely to decline in coming days due to fall in prices of feedstocks. Export offer of 30 count combed cotton yarn were placed at 3.50 dollar per kg CNF. Domestic offer price of 30 count combed cotton yarn placed at Rs 187 per kg, 30 count carded cotton yarn at Rs 175 per kg and 30 count single PC yarn at 175 per kg.
- As per IMD, Southwest monsoon has further advanced into some more parts of Madhya Maharashtra, interior Karnataka, and most parts of Tamilnadu, remaining parts of south Bay of Bengal and some more parts of central & North Bay of Bengal.

Cotton International Fundamentals

- World ending has been revised and increased by 1% to 74.5 million bales as compared to previous month as China is projected to hold 45% of the total. However, world cotton production has been forecasted down by 1.4 million bales as major growing countries like Brazil, Argentina and Australia are likely to reduce cotton area in 2012/13. Due to fall in cotton prices in 2011/12. Source:USDA

Outlook: Domestic and International

We expect domestic cotton price to trade on bullish phase amid local mills demand.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-1	968	968	955	955
Apr-13	-2	960.5	972	958.5	960

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

Contract	+/-	Open	High	Low	Close
Feb-13	0.3	958	962	953	953
Apr-13	-0.4	968.5	970	960.5	962

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	3	-2	45	1
Apr-13	1,145	-214	1632	69

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	7	-6	20	0
Apr-13	23	-42	50	3

Spread	Feb-13	Apr-13
Basis	-209	

Spread	Feb-13	Apr-13
Basis	-207	
Apr-13		9.00

Feb-13	5.00
April-13	

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

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MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
29-Jun-12	-0.38	15820	15950	15750	15770
31-Jul-12	-0.37	16200	16300	16100	16120
31-Aug-12	-0.42	16580	16670	16480	16490

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	13-6-2012	12-6-2012	
Amravati-Vunni Mech-1#	3750	3725	+25
Kadi-Bt Cotton#	3675-4100	3750-4050	+50
Ahmedabad-Shankar-6#	3610-3850	3625-3850	Unch
Gondal	-	-	-
Rajkot	3475-3920	3485-3915	+5
Abohar-J-34*	3500	3515	-15
Muktsar-J-34*	3500	3515	-15
Fajlika#	3800	3650	+150
Khandwa	-	3400-3700	-
Patan	3450-3500	3500	Unch
Sri-Ganganagar	3450	3250-3420	+30

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	13-6-2012	12-6-2012	
Amravati -Vunni Mech-1`	3000	2000	+1000
Kadi -Bt Cotton	25	50	-25
Ahmedabad - Shankar-6	12000	12000	Unch
Gondal	-	-	-
Rajkot	3350	3450	-100
Abohar	50	100	-50
Muktsar	-	-	-
Fajlika	200	250	-50
Khandwa	-	-	-
Patan	-	-	-
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: 12/6/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (12/6/2012)	Rs. Per Candy (11/6/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34800	34600	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36000	35800	+200
J-34(202)	26mm	3.5 - 4.9	23	30700	30400	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	31300	+1700
Shankar-6(105)	29mm	3.5 - 4.9	28	32000	32300	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34400	34800	-400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35800	36000	-200
DCH-32(107)	34mm	3.0 - 3.8	33	46000	46500	-500

Cotlook Index: As on 12/6/2012

Cotlook Indices	Cents/Pound	Change
A-Index	82.50	-0.15

China Cotton Index: As on 13/6/2012

Index	RMB/Ton	Change
CCIndex(328)	18405	-16
CCIndex(527)	16160	-2
CCIndex(229)	19502	-39

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

USDA Cotton Spot Rates: As on 12/6/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.57	75.57	NIL
North Delta	71.57	72.57	NIL
South Delta	71.57	72.57	NIL
East TX-OK	67.00	72.00	1648
West Texas	67.25	73.50	898
Desert SW	67.32	73.82	NIL
SJ Valley	68.07	78.72	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 12/6/2012

Contract	Open	High	Low	Close	Change
Jul-12	75	76.42	74.09	75.57	0.48
Oct-12	67.61	68.65	67.5	67.81	-0.94
Dec-12	69.19	69.5	67.96	68.84	-0.45
Mar-12	70.9	71.01	69.66	70.75	-0.26
May-12	71.01	72.01	70.72	71.85	-0.09
Jul-12	71.79	72.95	71.51	72.95	0.28

Pakistan Cotton Spot rates: As on 12/6/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5700	130	5830
Equivalent	40 Kgs	6109	130	6239

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