

Cotton Domestic Fundamentals:

- Mixed tone seen in the cotton spot markets amid ups and downs in local mills demand on Thursday.
- Arrivals are rapidly declining in most of the major markets like Amravati, Rajkot and Fajlika.
- Total Arrivals in India has been reported around 30 thousands bales for the day.
- Indian Government declared the cotton minimum support price 2012/13 up by 28.57% to 3600 per quintal for medium staple and long staple by 18.18% to 3900 per quintal against last year MSP i.e. 2800 per quintal and 3300 per quintal respectively to encourage cotton farmers. However, Lower cotton prices against dull demand and other lucrative crops like Guar, Soybean has compelled cotton farmers to reduce cotton area in 2012/13.
- There are clouds in Gujarat but rains at Marathawada in Maharashtra.
- South-west monsoon is likely to progress further into east coast and west coast in the near –term.

Cotton International Fundamentals

- According to recent release of WASDE report world's ending stock is likely to increase 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.

Outlook: Domestic and International

We expect domestic cotton price to trade steady to bullish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	5	952	966.5	952	966.5
Apr-13	9	960.5	977	958	971.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	7.6	948.5	970	948.5	965
Apr-13	8.8	961	973	959	971.8

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	5	2	46	1
Apr-13	1,804	659	1598	-34

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	7	0	19	-1
Apr-13	39	16	53	3

Spread	Feb-13	Apr-13
Basis	-221.5	
Feb-13		5.00
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	-220	
Apr-13		6.80

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	1.9	15950	16170	15810	16080
31-Jul-12	1.86	16240	16530	16180	16420
31-Aug-12	1.76	16540	16870	16540	16790

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	14-6-2012	13-6-2012	
Amravati-Vunni Mech-1#	3750-3800	3750	+50
Kadi-Bt Cotton#	3800-4100	3675-4100	Unch
Ahmedabad-Shankar-6#	3600-3850	3610-3850	Unch
Gondal	-	-	-
Rajkot	3575-3900	3475-3920	-20
Abohar-J-34*	3525-3540	3500	+40
Muktsar-J-34*	3525-3540	3500	+40
Fajlika#	3800	3800	Unch
Khandwa	-	-	-
Patan	3450-3500	3450-3500	Unch
Sri-Ganganagar	3300-3420	3450	-30

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	14-6-2012	13-6-2012	
Amravati -Vunni Mech-1`	2500	3000	-500
Kadi -Bt Cotton	50	25	+25
Ahmedabad - Shankar-6	12000	12000	Unch
Gondal	-	-	-
Rajkot	3000	3350	-350
Abohar	100	50	+50
Muktsar	-	-	-
Fajlika	50	200	-150
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: 13/6/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (13/6/2012)	Rs. Per Candy (12/6/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34800	34800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36000	36000	Unch
J-34(202)	26mm	3.5 - 4.9	23	30700	30700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32500	33000	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	32000	32000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34400	34400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35500	35800	-300
DCH-32(107)	34mm	3.0 - 3.8	33	46000	46000	Unch

Cotlook Index: As on 13/6/2012

Cotlook Indices	Cents/Pound	Change
A-Index	82.50	Unch

China Cotton Index: As on 14/6/2012

Index	RMB/Ton	Change
CCIndex(328)	18358	-47
CCIndex(527)	16097	-63
CCIndex(229)	19468	-34

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

USDA Cotton Spot Rates: As on 13/6/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.09	75.09	NIL
North Delta	71.09	72.09	NIL
South Delta	71.09	72.09	NIL
East TX-OK	66.50	71.50	638
West Texas	66.75	73.00	180
Desert SW	66.84	73.34	NIL
SJ Valley	67.59	78.24	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 13/6/2012

Contract	Open	High	Low	Close	Change
Jul-12	75.65	76.35	74.25	75.09	-0.48
Oct-12	68.22	70.7	68.02	69.26	1.45
Dec-12	69	71.16	68.7	70.41	1.57
Mar-12	71.21	72.9	70.93	72.38	1.63
May-12	72.22	74	72	73.54	1.69
Jul-12	73.09	74.83	72.95	74.47	1.52

Pakistan Cotton Spot rates: As on 13/6/2012 (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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