

Cotton Domestic Fundamentals:

- Major Cotton markets reported higher prices while unchanged cotton prices featured in Ahmedabad and Sri Ganganagar market.
- Spinners and exporters were active in most of the markets amid lower supplies as ginneries were asking for higher prices which pulled up prices despite Patan market thereby cotton prices ended down there.
- Total arrivals in India have been registered at 25,000 bales.
- Minimum support price of Cotton for 2012/13 has been raised by 28.18 to 3600 per quintal for medium staple length and 3900 for long staple length by Indian Government as on 14th June 2012.
- The farmers in Gujarat may decline around 4.5% of cotton area to 28.88 lakh hectare during 2012 compared to 30.23 lakh hectare during 2011.
- Export offer of 30 count combed cotton yarn were placed at 3.55-3.57 dollar per kg CNF. Domestic offer price of 30 count combed cotton yarn placed at Rs 190-191 per kg, 30 count carded cotton yarn at Rs 180 per kg and 30 count single PC yarn at 180 per kg. Improved demand supported cotton yarn prices.

Cotton International Fundamentals

- Turkey has agreed to remove penal duties 'wrongfully' imposed on Indian cotton yarn.
- World's ending stocks has been increased to 74.57 million bales in 2012/13 as per recent released report by WASDE.

Outlook: Domestic and International

We expect domestic cotton price to trade on bullish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	4	1015	1030	1006.5	1006.5
Mar-13	30	1028	1038.5	1028	1038.5
Apr-13	15	1011	1039	1010	1023.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	21.8	1011	1028	1003	1028
Apr-13	3.3	1018.9	1036	1012	1015.1

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	12	-5	53	-3
Mar-13	2	-	3	-
Apr-13	3450	340	2406	-18

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	6	-1	18	-2
Apr-13	107	84	92	42

Spread	Feb-13	Mar-13	Apr-13
Basis	-231.5		
Feb-13		32.00	
April-13			-15.00

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

Spread	Feb-13	Apr-13
Basis	-253	
Feb-13		-12.90
April-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
29-Jun-12	0.82	15880	16200	15870	16020
31-Jul-12	0.68	16150	16580	16150	16360
31-Aug-12	0.84	16690	16930	16680	16750
31-Oct-12	3.81	17230	17470	17190	17440

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	25-6-2012	23-6-2012	
Amravati-Vunni Mech-1#	4005-4050	3950	+100
Kadi-Bt Cotton#	3800-4250	3800-4125	+125
Ahmedabad-Shankar-6#	3750-4000	3750-4000	Unch
Gondal	-	-	-
Rajkot-(B.T)	3600-4160	3575-4030	+130
Abohar-J-34*	3530	3520	+10
Muktsar-J-34*	3530	3520	+10
Fajlika#	3525	3500	+25
Khandwa M.P.	3300-3800	3300-3700	+100
Patan-(B.T)	3525	3550	-25
Sri-Ganganagar	3450	3450	Unch

*-Rs/maund, #-Rs.qlt

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	25-6-2012	23-6-2012	
Amravati -Vunni Mech-1`	2500	2500	Unch
Kadi -Bt Cotton	50	40	+10
Ahmedabad - Shankar-6	10000	10000	Unch
Gondal	-	-	-
Rajkot-(B.T)	1050	1000	+50
Abohar	20	20	Unch
Muktsar	-	-	-
Fajlika	-	-	-
Khandwa M.P.	-	-	-
Patan-(B.T)	-	-	-
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: 23/6/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (23/6/2012)	Rs. Per Candy (22/6/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35600	35600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36800	36800	Unch
J-34(202)	26mm	3.5 - 4.9	23	30900	30600	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32200	32000	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	33800	33300	+500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35400	35200	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36800	36500	+300
DCH-32(107)	34mm	3.0 - 3.8	33	46000	45500	+500

Cotlook Index: As on 22/6/2012

Cotlook Indices	Cents/Pound	Change
A-Index	79.30	-5.00

China Cotton Index: As on 25/6/2012

Index	RMB/Ton	Change
CCIndex(328)	18279	-46
CCIndex(527)	16024	-22
CCIndex(229)	19391	-35

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

USDA Cotton Spot Rates: As on 22/6/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.30	75.30	NIL
North Delta	70.80	71.80	NIL
South Delta	70.80	71.80	NIL
East TX-OK	62.25	67.25	NIL
West Texas	62.50	68.75	37
Desert SW	66.55	73.05	NIL
SJ Valley	67.30	77.95	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 22/6/2012

Contract	Open	High	Low	Close	Change
Jul-12	74.17	74.17	74.17	74.17	-4.00
Oct-12	67.00	69.70	67.00	69.30	+2.05
Dec-12	67.51	69.88	67.38	69.12	+1.41
Mar-12	69.07	71.97	68.83	70.57	+1.49
May-12	71.95	72.18	71.35	71.58	+1.34
Jul-12	72.78	73.12	72.06	72.28	+1.15

Pakistan Cotton Spot rates: As on 23/6/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6000	130	6130
Equivalent	40 Kgs	6430	130	6560

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.