

Cotton Domestic Fundamentals:

- The cotton spot market prices traded with mixed tone amid patchy demand.
- Arrivals were also registered in mixed phase in the markets.
- According to the latest data from the Union ministry of agriculture, cotton sowing across the country at the start of the kharif season for 2012-13 has taken a beating. It has fallen to 1.3 million hectares, down two lakh hectares from 1.5 million hectares in the previous year due to delay in sowing.
- Farmers in Punjab, Rajasthan and Haryana have shifted from cotton to paddy, guar and pulses. Farmers in Maharashtra too, are expected to devote a part of the cotton acreage to sugarcane in 2012/13.
- Cotton prices in India are likely to rise this week on higher buying by local textile and yarn makers, and on lower supplies in the spot market as the harvesting season ended as Lack of rains in key growing area, which could adversely impact sowing, are also supporting the prices.
- The area under cotton cultivation in India could fall up to 10 percent in the 2012/13 season beginning October as lower returns in 2011 may prompt farmers to switch to other crops.

Cotton International Fundamentals

- 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 trade on bullish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-0.50	1019.50	1019.50	1019.50	1019.50
Apr-13	-7.00	1028.00	1030.00	1017.50	1023.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	-1.30	1016.00	1016.00	1016.00	1016.00
Apr-13	-5.80	1025.00	1025.00	1018.00	1022.80

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	-3697	54	-4534
Apr-13	1406	1074	2680	2134

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	1	-9	18	1
Apr-13	59	-14	98	1

Spread	Feb-13	Apr-13
Basis	-239.50	
Feb-13		-3.50
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	-236.00	
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	-0.25	16000	16080	15970	16010
31-Jul-12	-0.43	16360	16440	16340	16340
31-Aug-12	-0.48	16750	16840	16720	16720
31-Nov-12	0.4	17300	17440	17300	17420

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	27-6-2012	26-6-2012	
Amravati-Vunni Mech-1#	4150-4200	4100-4125	+75
Kadi-Bt Cotton#	3900-4300	3900-4300	Unch
Ahmedabad-Shankar-6#	3750-4050	3750-4000	+50
Gondal	-	3250-4500	-
Rajkot-(B.T)	3600-4150	3600-4150	Unch
Abohar-J-34*	3525	3540	-15
Muktsar-J-34*	3525	3540	-15
Fajlika#	3550	3525	+25
Khandwa M.P.	3300-3800	3300-3800	Unch
Patan-(B.T)	3550	3525	+25
Sri-Ganganagar	3460	3460	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	27-6-2012	26-6-2012	
Amravati -Vunni Mech-1`	1000	1500	-500
Kadi -Bt Cotton	25	50	-25
Ahmedabad - Shankar-6	15000	10000	+5000
Gondal	-	800	-
Rajkot-(B.T)	1000	1000	Unch
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: 26/6/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (26/6/2012)	Rs. Per Candy (25/6/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36000	35900	+100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37500	37300	+200
J-34(202)	26mm	3.5 - 4.9	23	31800	31400	+400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32700	32500	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	33800	33800	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35600	35400	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37000	36800	+200
DCH-32(107)	34mm	3.0 - 3.8	33	46500	46000	+500

Cotlook Index: As on 26/6/2012

Cotlook Indices	Cents/Pound	Change
A-Index	82.30	+1.00

China Cotton Index: As on 27/6/2012

Index	RMB/Ton	Change
CCIndex(328)	18207	-42
CCIndex(527)	15950	-67
CCIndex(229)	19341	-10

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

USDA Cotton Spot Rates: As on 26/6/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.35	72.35	595
North Delta	67.85	68.85	NIL
South Delta	67.85	68.85	NIL
East TX-OK	61.50	66.50	NIL
West Texas	61.75	68.00	NIL
Desert SW	65.60	72.10	NIL
SJ Valley	66.35	77.00	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 26/6/2012

Contract	Open	High	Low	Close	Change
Jul-12	70.35	70.63	68.31	68.31	-2.15
Oct-12	70.65	70.68	68.15	68.35	-2.16
Dec-12	70.30	70.30	68.04	68.20	-1.85
Mar-12	71.22	71.55	69.49	69.61	-1.83
May-12	72.35	72.66	70.75	70.88	-1.67
Jul-12	73.51	73.51	71.66	71.78	-1.60

Pakistan Cotton Spot rates: As on 26/6/2012 (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

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