

Cotton Domestic Fundamentals:

- Mixed tone featured in the cotton spot markets on Friday amid patchy demand.
- Arrivals reached with mixed pace in some of the markets. While, no arrivals were found in few of the markets.
- Sowing of cotton has been completed around 10 lakh hectares. of the targeted i.e. 35 lakh hectares for 2012-2013. Source: Maharashtra Agriculture Dept.
- Rains/thundershowers are likely to reach at many places in forth west coast and also over northeastern states. Rainfall activity will increase in parts of Madhya Pradesh, north of Andhra Pradesh and Maharashtra during this week.
- The farmers in Maharashtra are likely to adopt "Brazil Pattern" for rising cotton yield in rain fed areas from the current cotton yield 475 kg/hectare to 600 kg/hectare. Brazilians farmers receive cotton crops about 1,495 kg/hectare in rain-fed areas because of better mechanization.
- In Punjab the cotton sowing has been completed and crop is moving towards germination stage however delayed rain may affect crop negatively.

Cotton International Fundamentals

- As per Reuters, Cotton trader may cover lower area than expected in 2012-2013, which could trigger prices upwards. US farmers are likely to sow 12.74 million to 12.76 million acres of cotton in 2012, a decline of 13.3 percent to 13.4 percent from the 14.72 million acres planted last year.

Outlook: Domestic and International

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

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

Contract	+/-	Open	High	Low	Close
Feb-13	-10.5	997	1001	991.5	991.5
Apr-13	1.5	1004	1009	992	1004

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	6	-4	53	1
Apr-13	2,377	-515	2537	107

Spread Feb-13 Apr-13

Basis	-179	
Feb-13		12.50
April-13		

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

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

Contract	+/-	Open	High	Low	Close
Feb-13	-7	990	1035	985	999
Apr-13	-1	1003.4	1007.2	990	999

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	32	26	20	-33
Apr-13	69	-2308	83	-2454

Spread Feb-13 Apr-13

Basis	-186.5	
Apr-13		Unch

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	16120	16130	15990	16020
31-Jul-12	0.06	16420	16480	16330	16400
31-Aug-12	0	16770	16860	16690	16760
31-Sep-12	-0.52	17500	17500	17240	17330
31-Oct-12	-0.06	17160	17160	16890	17090

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	29-6-2012	28-6-2012	
Amravati-Vunni Mech-1#	4250-4300	4200	+100
Kadi-Bt Cotton#	3500-4350	3950-4350	Unch
Ahmedabad-Shankar-6#	3875-4250	3750-4125	+125
Gondal	-	-	-
Rajkot-(B.T)	3750-4200	3750-4200	Unch
Abohar-J-34*	3500-3530	3515	+15
Muktsar-J-34*	3500-3530	3515	+15
Fajlika#	3325	3550	-225
Khandwa M.P.	3300-3700	3300-3800	-100
Patan-(B.T)	-	-	-
Sri-Ganganagar	3500	3470	+30

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	29-6-2012	28-6-2012	
Amravati -Vunni Mech-1`	1000	1500	-500
Kadi -Bt Cotton	50	50	Unch
Ahmedabad - Shankar-6	12000	10000	+2000
Gondal	-	-	-
Rajkot-(B.T)	975	975	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: 28/6/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (28/6/2012)	Rs. Per Candy (27/6/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37000	36500	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38300	37800	+500
J-34(202)	26mm	3.5 - 4.9	23	32000	31800	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33300	33000	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	33800	34000	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35600	35600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37000	37000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	46500	46500	Unch

Cotlook Index: As on 28/6/2012

Cotlook Indices	Cents/Pound	Change
A-Index	79.25	-0.35

China Cotton Index: As on 29/6/2012

Index	RMB/Ton	Change
CCIndex(328)	18164	-24
CCIndex(527)	15855	-49
CCIndex(229)	19312	-14

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

USDA Cotton Spot Rates: As on 28/6/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.51	72.51	NIL
North Delta	68.01	69.01	NIL
South Delta	68.01	69.01	NIL
East TX-OK	61.75	66.75	NIL
West Texas	62.00	68.25	NIL
Desert SW	65.76	72.26	NIL
SJ Valley	66.51	77.16	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 28/6/2012

Contract	Open	High	Low	Close	Change
Jul-12	68.5	70.3	67.7	70.3	2.29
Oct-12	68.45	69.51	66.7	69.51	1.7
Dec-12	67.96	70.08	67.16	69.51	1.55
Mar-12	69.25	71.25	68.49	70.7	1.48
May-12	70.26	72.12	70.01	71.69	1.42
Jul-12	71.15	73.05	71	72.59	1.41

Pakistan Cotton Spot rates: As on 28/6/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6100	130	6230
Equivalent	40 Kgs	6537	130	6667

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