

Cotton Domestic Fundamentals:

- Steady to firm tone witnessed in the cotton spot markets except Kadi market which closed on lower side amid declining demand.
- The crops arrived with mixed pace in the markets.
- According to trade sources, acreage under cotton is likely to decline by 15% in North India. Farmers are diverting to other profitable crops like guar, soya bean and groundnut.
- The farmers in Punjab has completed total 5.16 lakh hectares cotton area so far against 4.9 lakh hectares of previous year cotton sowing area.
- As per ministry of agriculture data, total cotton sowing has been recorded higher to 31.37 lakh hectare as compare to previous week sowing record i.e. 29.29 lakh hectares in irrigated cotton areas. However, delaying monsoon may affect its germination stage and may delay cotton sowing of rain fed areas.
- Upcoming days spinners demand may push prices up.

Cotton International Fundamentals

- As per the market source, Pakistan's cotton production is likely to decline by 15% or around 2.2 million bales in 2012/13 after major reduction in cotton area due to water shortage and low cotton prices.

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	2.5	998.5	1000	991	998
Mar-13	4.5	995	1006.5	989	1006
Apr-13	-2.50	1010	1012	994.5	999

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

Contract	+/-	Open	High	Low	Close
Feb-13	6.7	998	1004.9	997	1000.4
Apr-13	4.7	1007	1010	995	1003

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	14	8	48	-5
Mar-13	4	1	4	1
Apr-13	1819	-558	2684	147

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	10	-22	19	-1
Apr-13	26	-43	80	-3

Spread	Feb-13	Mar-13	Apr-13
Basis	-173		
Feb-13		8.00	
April-13			-7.00

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

Spread	Feb-13	Apr-13
Basis	-175.4	
Apr-13		2.60

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
31-Jul-12	0.24	16420	16490	16330	16430
31-Aug-12	0.36	16750	16850	16720	16810
31-Oct-12	0.29	17300	17350	17250	17330
30-Nov-12	0.29	17000	17050	16900	17010

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-6-2012	29-6-2012	
Amravati-Vunni Mech-1#	4250	4250-4300	-50
Kadi-Bt Cotton#	4250-4500	3500-4350	+150
Ahmedabad-Shankar-6#	3875-4375	3875-4250	+125
Gondal	-	-	-
Rajkot-(B.T)	3780-4250	3750-4200	+50
Abohar-J-34*	3540	3500-3530	+10
Muktsar-J-34*	3540	3500-3530	+10
Fajlika#	3325	3325	Unch
Khandwa M.P.	3300-3700	3300-3700	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3500	3500	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-6-2012	29-6-2012	
Amravati -Vunni Mech-1`	3000	1000	+2000
Kadi -Bt Cotton	25	50	-25
Ahmedabad - Shankar-6	10000	12000	-2000
Gondal	-	-	-
Rajkot-(B.T)	1450	975	+475
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: 29/6/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (29/6/2012)	Rs. Per Candy (28/6/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37700	37000	+700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39000	38300	+700
J-34(202)	26mm	3.5 - 4.9	23	32200	32000	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33700	33300	+400
Shankar-6(105)	29mm	3.5 - 4.9	28	34500	33800	+700
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36100	35600	+500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37500	37000	+500
DCH-32(107)	34mm	3.0 - 3.8	33	47200	46500	+700

Cotlook Index: As on 29/6/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.20	+0.90

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 29/6/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.07	74.07	NIL
North Delta	69.82	70.82	NIL
South Delta	69.82	70.82	NIL
East TX-OK	62.75	67.75	NIL
West Texas	63.00	69.25	NIL
Desert SW	67.82	74.32	NIL
SJ Valley	68.57	79.22	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 29/6/2012

Contract	Open	High	Low	Close	Change
Jul-12	70.98	72.16	70.98	72.16	1.86
Oct-12	69.73	72.25	69.73	71.57	2.06
Dec-12	69.53	71.65	69.14	71.33	1.82
Mar-12	70.7	72.77	70.54	72.51	1.81
May-12	71.57	73.89	71.56	73.55	1.86
Jul-12	73.27	74.5	73.27	74.27	1.68

Pakistan Cotton Spot rates: As on 29/6/2012 (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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