

Cotton Domestic Fundamentals:

- Steady to firm tone witnessed in the cotton spot markets due to higher local demand on Monday.
- While arrivals were seen in mixed phase.
- According to Market source the cotton output in India is expected to come down by 20% due to poor monsoon effect while it was being estimated 10% decline in cotton area during this year due to poor cotton performance.
- According to textile commissioner, Cotton Plant requires total 90 days to develop well. If Monsoon is delay further, cotton farmers is likely to switch to short duration crops reducing cotton area in 2012/13.
- According to IMD, Rain/thundershowers would occur at a few places over east Rajasthan Gujarat region, Punjab, Haryana, Delhi, Jammu & Kashmir, Himanchal Pradesh, Uttarakhand, Madhya Pradesh, Maharashtra, Marathwada, interior Karnataka, Andhra Pradesh and at one or two places over rest parts of the country.
- Cotton Yarn prices are likely to increase in anticipation of textiles millers demand.

Cotton International Fundamentals

- As per USDA, in Southeastern Markets, squaring advanced rapidly and blooming was underway in the earliest planted fields. Producers considered irrigation schedule management as more of the crop reached first bloom and water requirements increased. Boll-setting had begun in all areas.
- According to the National Agricultural Statistics Service, boll setting was estimated at 35percent in Louisiana and 28 percent in Mississippi.

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	27	1046	1056	1042	1047
Mar-13	10.5	1035	1035	1035	1035
Apr-13	28.50	1033	1068	1033	1058.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	25.8	1027	1052.9	1027	1046
Apr-13	28.4	1033.7	1060	1031	1052.8

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	28	24	43	3
Mar-13	1	1	3	3
Apr-13	6222	4593	4193	572

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	101	93	38	25
Apr-13	404	356	258	99

Spread	Feb-13	Mar-13	Apr-13
Basis	-212		
Feb-13		-12.00	
April-13			23.50

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

Spread	Feb-13	Apr-13
Basis	-211	
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
31-Jul-12	2.08	16860	17260	16860	17210
31-Aug-12	1.92	17200	17580	17200	17520
31-Oct-12	1.55	17450	17800	17450	17680
30-Nov-12	1.23	17120	17370	17120	17270
31-Dec-12	1.23	17100	17330	17100	17250

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	9-7-2012	7-7-2012	
Amravati-Vunni Mech-1#	4450	4400	+50
Kadi-Bt Cotton#	4200-4600	4300-4550	+50
Ahmedabad-Shankar-6#	4000-4350	3750-4300	+50
Gondal	3000-4500	3000-4475	+25
Rajkot-(B.T)	3975-4525	3850-4350	+175
Abohar-J-34*	3580	3580	Unch
Muktsar-J-34*	3580	3580	Unch
Fajlika#	3600	3570	+30
Khandwa M.P.	3300-3700	3300-3700	Unch
Patan-(B.T)	4050-4100	4050-4100	Unch
Sri-Ganganagar	3560	3560	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	9-7-2012	7-7-2012	
Amravati -Vunni Mech-1`	1500	1000	+500
Kadi -Bt Cotton	50	50	Unch
Ahmedabad - Shankar-6	10000	12000	-2000
Gondal	620	490	+130
Rajkot-(B.T)	460	550	-60
Abohar	-	-	-
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: 7/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (7/7/2012)	Rs. Per Candy (6/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40500	40500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41800	41800	Unch
J-34(202)	26mm	3.5 - 4.9	23	32600	32700	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34400	34500	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	34900	34500	+400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37500	37500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	38700	38700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	50000	50000	Unch

Cotlook Index: As on 6/7/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.55	-1.85

China Cotton Index: As on 9/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18168	+9
CCIndex(527)	15844	+15
CCIndex(229)	19322	+2

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

USDA Cotton Spot Rates: As on 6/7/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.53	71.53	930
North Delta	67.28	68.28	569
South Delta	67.28	68.28	NIL
East TX-OK	60.75	65.75	788
West Texas	61.00	67.25	81
Desert SW	65.78	72.28	NIL
SJ Valley	66.53	77.18	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 6/7/2012

Contract	Open	High	Low	Close	Change
Jul-12	71.86	71.86	70.78	70.78	-0.14
Oct-12	71.50	71.59	70.05	70.53	-0.24
Dec-12	71.00	71.88	70.03	70.62	+0.04
Mar-12	72.79	72.99	71.35	71.90	-0.01
May-12	73.95	73.95	72.54	72.99	+0.02
Jul-12	73.80	74.26	73.59	73.97	+0.09

Pakistan Cotton Spot rates: As on 7/7/2012 (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

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.