

Cotton Domestic Fundamentals:

- Firm tone witnessed in the cotton spot markets on Monday amid good buying activities against lower supplies..
- According to market source, South Indian mills have accumulated two months of forward orders as they are getting good profit currently which will support yarn prices to increase further.
- Farmers are getting sufficient rain water for cotton sowing; as a result the pace of cotton sowing has been registered at 65.21 till 13th July 2012 as compared to previous year i.e. 59.22 during corresponding period of time as recorded by ministry of agriculture department.
- According to IMD, rain would occur at a few places over Punjab, Haryana, Delhi, west Uttar Pradesh, east Rajasthan, Gujarat region, west Madhya Pradesh and Tamil Nadu in the near –term.
- Gujarat government is likely to announce new textile policy by next week to attract fresh investments in spinning.
- Rising Yarn and Textiles millers demand will also support cotton prices to go up.

Cotton International Fundamentals

- Heavy rainfall occurred in cotton growing area throughout North Alabama, the Carolinas, and Virginia due to which soil condition improved. According to the National Agricultural Statistics Service estimated that boll setting had reached 70 percent in Arkansas, compared to 12 in Missouri, and 15 percent in Tennessee while the crop was rated mostly fair to good in Texas, Kansas, and Oklahoma. Overall cotton crops in US regions are progressing normally after receiving by good rain.

Outlook: Domestic and International

We expect domestic cotton prices to trade upside.

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

Contract	+/-	Open	High	Low	Close
Feb-13	43.5	1109	1133	1103.5	1133
Apr-13	44.5	1104.5	1140	1104	1140

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	63	39	127	67
Apr-13	8,694	8531	5008	4719

Spread	Feb-13	Apr-13
Basis	-195.5	
Feb-13		7.00
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	43	1090	1119.1	1090	1119.1
Apr-13	43.4	1105	1129.6	1100	1129.6

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	69	45	67	7
Apr-13	201	38	304	15

Spread	Feb-13	Apr-13
Basis	-181.6	
Apr-13		10.50

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	3.99	17580	18240	17580	18240
31-Aug-12	3.98	17950	18570	17940	18570
31-Oct-12	3.7	18050	18500	18000	18500
30-Nov-12	2.8	17600	18040	17600	18000
31-Dec-12	2.59	17600	17880	17600	17840

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	16-7-2012	14-7-2012	
Amravati-Vunni Mech-1#	4800	4750	+50
Kadi-Bt Cotton#	4800-5075	4600-4850	+225
Ahmedabad-Shankar-6#	4500-4875	-	-
Gondal	3000-5025	3000-4755	+270
Rajkot-(B.T)	4125-5000	4025-4650	+350
Abohar-J-34*	3750	3720	+30
Muktsar-J-34*	3750	3730	+20
Fajlika#	3725	3675	+50
Khandwa M.P.	3400-3800	3300-3700	+100
Patan-(B.T)	4400-4500	4400-4500	Unch
Sri-Ganganagar	3650	3650	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	16-7-2012	14-7-2012	
Amravati -Vunni Mech-1`	1000	800	+200
Kadi -Bt Cotton	50	50	Unch
Ahmedabad - Shankar-6	8000	-	-
Gondal	300	284	+16
Rajkot-(B.T)	587	669	-82
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: 14/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (14/7/2012)	Rs. Per Candy (13/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41900	41900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43200	43200	Unch
J-34(202)	26mm	3.5 - 4.9	23	33700	33700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	35400	35100	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	35700	35400	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38600	38400	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39300	39300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	51500	51500	Unch

Cotlook Index: As on 13/7/2012

Cotlook Indices	Cents/Pound	Change
A-Index	82.85	-0.60

China Cotton Index: As on 16/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18232	+10
CCIndex(527)	15909	+17
CCIndex(229)	19364	+4

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

USDA Cotton Spot Rates: As on 13/7/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.51	72.51	10
North Delta	68.51	69.51	11
South Delta	68.51	69.51	26
East TX-OK	63.00	68.00	1012
West Texas	63.25	69.50	918
Desert SW	67.01	73.51	NIL
SJ Valley	67.76	78.41	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 13/7/2012

Contract	Open	High	Low	Close	Change
Oct-12	69.80	71.89	69.80	71.76	+2.40
Dec-12	70.20	72.76	70.18	72.66	+2.73
Mar-12	71.61	73.88	71.59	73.77	+2.67
May-12	72.95	74.70	72.95	74.56	+2.57
Jul-12	74.95	75.36	74.72	75.36	+2.44
Oct-12	77.39	77.39	77.39	77.39	+2.54

Pakistan Cotton Spot rates: As on 14/7/2012 (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.