

Cotton Domestic Fundamentals:

- Steady to weak tone witnessed in the cotton spot markets on Thursday due to slow demand except Sri-Ganganagar which closed on higher demand on back of improved textile mills demand.
- There are no arrivals seen in most of the markets except Amravati, Kadi, Ahmedabad and Rajkot markets.
- According to IMD, rainfall is expected in certain regions of Gujarat and Rajasthan by next week.
- The farmers in Maharashtra have covered 33.61 lakh hectares cotton area as on 13th July 2012 against previous year 30.4 lakh hectares during corresponding period of time.
- The cotton yield in Maharashtra is likely to decline around 10 to 20% due to delayed in monsoon.
- Cotton Yarn market increased amid good demand. Export offer of 30 count combed cotton yarn were placed at 3.60 dollar per kg CNF. Domestic offer price of 30 count combed cotton yarn placed at Rs 200-202 per kg, 30 count carded cotton yarn at Rs 190-192 per kg and 30 count single PC yarn at 190-192 per kg.

Cotton International Fundamentals

- As per USDA report, US cotton production for 2012/13 is unchanged at 17.0 million bales, despite a 4-percent reduction in planted area in the June Acreage report, as abandonment and yield have been adjusted based on current conditions. Forecast domestic mill use is reduced 100,000 bales based on recent activity levels. Exports are raised due to higher projected global imports and slightly reduced foreign competition.

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	32	1105	1128	1105	1128
Apr-13	33	1117	1136	1115	1133

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

Contract	+/-	Open	High	Low	Close
Feb-13	24.5	1108.8	1119	1101.1	1118
Apr-13	25.4	1112.2	1125	1108	1124

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	42	-22	64	-72
Apr-13	5,073	-3028	5110	206

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	34	-21	64	-2
Apr-13	178	-162	330	27

Spread	Feb-13	Apr-13
Basis	-163	
Feb-13		5.00
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	-153	
Apr-13		6.00

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	18100	18310	18100	18270	1.44
31-Aug-12	18400	18600	18400	18560	1.37
31-Oct-12	18350	18370	18250	18320	0.83
30-Nov-12	17800	17800	17700	17750	0.74
31-Dec-12	17660	17690	17560	17650	0.8

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	19-7-2012	18-7-2012	
Amravati-Vunni Mech-1#	4950-5000	5050-5100	-100
Kadi-Bt Cotton#	4750-4925	4800-5000	-75
Ahmedabad-Shankar-6#	4750-4900	4875-5000	-100
Gondal	Closed	2500-4925	-
Rajkot-(B.T)	4125-5030	4150-5030	Unch
Abohar-J-34*	3800	3875	-75
Muktsar-J-34*	3800	3875	-75
Fajlika#	3900	3900	Unch
Khandwa M.P.	4700-5000	4700-5000	Unch
Patan-(B.T)	4400-4500	4400-4500	Unch
Sri-Ganganagar	3770-3780	3650	+130

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	19-7-2012	18-7-2012	
Amravati –Vunni Mech-1`	1500	1000	+500
Kadi –Bt Cotton	25	30	-5
Ahmedabad – Shankar-6	8000	8000	Unch
Gondal	Closed	182	-
Rajkot-(B.T)	1050	1077	-27
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: 18/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (18/7/2012)	Rs. Per Candy (17/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	43300	43300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	44500	44500	Unch
J-34(202)	26mm	3.5 - 4.9	23	34900	35400	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37600	37600	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38100	38100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40800	40800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40800	40800	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	53000	53000	Unch

Cotlook Index: As on 18/7/2012

Cotlook Indices	Cents/Pound	Change
A-Index	83.65	-2.30

China Cotton Index: As on 19/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18255	+5
CCIndex(527)	15926	+8
CCIndex(229)	19379	+7

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

USDA Cotton Spot Rates: As on 18/7/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.60	71.60	543
North Delta	67.85	68.85	821
South Delta	67.85	68.85	535
East TX-OK	62.50	67.50	44
West Texas	62.75	69.00	353
Desert SW	66.35	72.85	NIL
SJ Valley	67.10	77.75	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 18/7/2012

Contract	Open	High	Low	Close	Change
Oct-12	70	71.9	69.72	71.1	0.99
Dec-12	71.05	72.92	70.45	71.93	0.88
Mar-12	71.88	73.77	71.4	72.86	0.93
May-12	72.21	74.6	72.16	73.62	0.95
Jul-12	73.25	75.3	73.2	74.63	0.9
Oct-12	76.78	76.78	76.77	76.78	1.1

Pakistan Cotton Spot rates: As on 18/7/2012 (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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