

Cotton Domestic Fundamentals:

- Mixed tone featured in the cotton spot markets on Friday amid patchy demand.
- Limited cotton crops are available in hand of farmers as on date.
- As per IMD, rainfall has occurred at most places over east Uttar Pradesh, Madhya Maharashtra, coastal Karnataka, north Andhra Pradesh, Vidarbha, interior Karnataka, and at one or two places Haryana, Uttarakhand, west Uttar Pradesh, east Madhya Pradesh, east Rajasthan, Gujarat and Kerala. Weather remained mainly dry over rest parts of the country.
- As per IMD, average rainfall found in Andhra Pradesh from 1st June 12 to 18th July 12 to 194.6 m.m as against the normal as on date of 213.0 m.m showing as normal of -9 %.
- Total 36.41 lakh hectares cotton area has been sown in Maharashtra as on 20th July 2012 against 36.88 lakh hectares of previous year sowing area which was completed till 25th July 2011.
- Cotton prices are likely to increase in future supported by lower stocks and poor rains.
- Cotton Yarn prices will gain further due to good demand from textile millers.

Cotton International Fundamentals

- According to USDA, Net Upland sales of 41,600 running bales for the 2011/2012 marketing year were up noticeably from the previous week, but down noticeably from the previous 4-week average.

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	10	1125.5	1135	1123.5	1125
Apr-13	2.5	1138	1148	1128	1136

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

Contract	+/-	Open	High	Low	Close
Feb-13	4.9	1115	1129.9	1115	1119.7
Apr-13	2.7	1131	1137	1120	1125.7

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	45	3	124	60
Apr-13	6,060	987	5297	187

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	31	-3	63	-1
Apr-13	164	-14	334	4

Spread	Feb-13	Apr-13
Basis	-162.5	
Feb-13		11.00
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	-157.2	
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	-0.11	18210	18420	18210	18260
31-Aug-12	-0.05	18600	18710	18550	18560
31-Oct-12	0.49	18350	18470	18310	18400
30-Nov-12	-0.17	17600	17890	17600	17710
31-Dec-12	-0.23	17740	17770	17600	17630

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	20-7-2012	19-7-2012	
Amravati-Vunni Mech-1#	4950-5000	4950-5000	Unch
Kadi-Bt Cotton#	4750-4900	4750-4925	-25
Ahmedabad-Shankar-6#	4750-4875	4750-4900	-25
Gondal	-	Closed	-
Rajkot-(B.T)	4175-5055	4125-5030	+20
Abohar-J-34*	3850	3800	+50
Muktsar-J-34*	3850	3800	+50
Fajlika#	3860	3900	-40
Khandwa M.P.	5200	4700-5000	+200
Patan-(B.T)	4400-4500	4400-4500	Unch
Sri-Ganganagar	3810	3770-3780	+30

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	20-7-2012	19-7-2012	
Amravati -Vunni Mech-1`	1000	1500	-500
Kadi -Bt Cotton	30	25	+5
Ahmedabad - Shankar-6	8000	8000	Unch
Gondal	-	Closed	-
Rajkot-(B.T)	840	1050	-210
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: 19/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (19/7/2012)	Rs. Per Candy (18/7/2012)	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	35300	34900	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37200	37600	-400
Shankar-6(105)	29mm	3.5 - 4.9	28	37700	38100	-400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40400	40800	-400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40300	40800	-500
DCH-32(107)	34mm	3.0 - 3.8	33	52500	53000	-500

Cotlook Index: As on 19/7/2012

Cotlook Indices	Cents/Pound	Change
A-Index	84.65	+1.00

China Cotton Index: As on 20/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18262	+7
CCIndex(527)	15929	+3
CCIndex(229)	19380	+1

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

USDA Cotton Spot Rates: As on 19/7/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.29	72.29	1592
North Delta	68.54	69.54	NIL
South Delta	68.54	69.54	NIL
East TX-OK	63.50	68.50	380
West Texas	63.50	69.75	808
Desert SW	67.04	73.54	NIL
SJ Valley	67.79	78.44	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 19/7/2012

Contract	Open	High	Low	Close	Change
Oct-12	71.17	72.2	71.06	71.79	0.69
Dec-12	71.93	73.21	71.77	72.63	0.7
Mar-12	72.88	74.04	72.66	73.33	0.47
May-12	74.11	74.73	73.53	74.05	0.43
Jul-12	75.08	75.59	74.43	74.92	0.29
Oct-12	76.48	77.09	75.86	77.09	0.31

Pakistan Cotton Spot rates: As on 19/7/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5850	130	5980
Equivalent	40 Kgs	6269	130	6399

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.