

## Cotton Domestic Fundamentals:

- Mixed tone featured in the cotton spot markets on Friday amid patchy demand.
- Arrivals were also registered in ups & downs phase in the markets.
- Weak sowing scenario may be a cause to increase cotton prices amid higher demand.
- Cotton sowing has been delayed in Gujarat and the acreage has also dropped compared to last year.
- According to state agriculture department sources, cotton sowing has been completed on about 1 million hectares so far during the current Kharif season, down by around 10 per cent against the same period last year. Overall total cotton sowing was made on about 2.6 million hectares in the state last year.
- Cotton Yarn production is likely to surge by 8.5 per cent during the fiscal, after it declined by 8 per cent in FY12.
- The cotton yield in Maharashtra is likely to decline around 10 to 20% due to delayed in Monsoon.
- Yarn exports are picking up, which has increased cotton buying from domestic millers.
- Cotton Yarn prices are also likely to increase in anticipation of textiles millers demand.

## Cotton International Fundamentals

- As Per CN Cotton, China is likely to reduce cotton crop to 6.86 million metric tons in 2012/13 lower 9.1% from a year earlier on account of lowering 9.6% in acreage.

## Outlook: Domestic and International

We expect domestic cotton price to trade on steady to bullish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	3	1094	1105	1092	1100
Mar-13	-10	1106	1106	1102	1102
Apr-13	12.00	1113	1125	1109	1124

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

Contract	+/-	Open	High	Low	Close
Feb-13	12	1100	1108	1100	1108
Apr-13	10.5	1100	1112	1098	1110.1

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	19	-1	120	1
Mar-13	2	0	3	-2
Apr-13	3570	-2194	5252	-25

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	19	-43	67	3
Apr-13	105	-131	423	12

Spread	Feb-13	Mar-13	Apr-13
Basis	-135		
Feb-13		2.00	
April-13			22.00

Spread	Feb-13	Apr-13
Basis	-143	
Apr-13		2.10

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

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## MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
31-Jul-12	Unch	17850	17880	17640	17800
31-Aug-12	0.11	18300	18300	18040	18140
31-Oct-12	0.27	18270	18360	18240	18270
30-Nov-12	1.27	17450	17650	17410	17590
31-Dec-12	0.63	17400	17570	17400	17510

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	27-7-2012	26-7-2012	
Amravati-Vunni Mech-1#	4800	4800	Unch
Kadi-Bt Cotton#	4950-5100	5100-5250	-150
Ahmedabad-Shankar-6#	4750-4900	4750-4900	Unch
Gondal	2500-4900	2500-4945	-45
Rajkot-(B.T)	4300-5025	4275-4900	+125
Abohar-J-34*	3900	3880	+20
Muktsar-J-34*	3900	3880	+20
Fajlika#	3900	3900	Unch
Khandwa M.P.	5100-5200	5000-5200	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3825	3820	+5

\*-Rs/maund, #-Rs. qtl

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	27-7-2012	26-7-2012	
Amravati -Vunni Mech-1#	700	-	-
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	8000	7000	+1000
Gondal	165	189	-24
Rajkot-(B.T)	519	1000	-481
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: 26/7/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (26/7/2012)	Rs. Per Candy (25/7/2012)	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	35200	35200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36800	37000	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	37300	37500	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40100	40600	-500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	N.Q.	N.Q.	-
DCH-32(107)	34mm	3.0 - 3.8	33	54000	54000	Unch

**Cotlook Index: As on 26/7/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	82.35	-1.45

**China Cotton Index: As on 27/7/2012**

Index	RMB/Ton	Change
CCIndex(328)	18308	+8
CCIndex(527)	15988	+11
CCIndex(229)	19402	+2

**USDA Cotton Spot Rates: As on 26/7/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.18	71.18	NIL
North Delta	67.43	68.43	1695
South Delta	67.43	68.43	1287
East TX-OK	63.75	68.75	NIL
West Texas	63.75	70.00	477
Desert SW	65.93	72.43	NIL
SJ Valley	66.68	77.33	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 26/7/2012**

Contract	Open	High	Low	Close	Change
Oct-12	69.60	71.21	69.23	70.68	+1.58
Dec-12	69.80	72.08	69.51	71.39	+1.88
Mar-13	71.02	72.88	70.40	72.17	+1.77
May-13	71.89	73.45	71.70	72.88	+1.58
Jul-13	72.81	73.83	72.73	73.69	+1.46
Oct-13	75.65	75.65	75.65	75.65	+1.46

**Pakistan Cotton Spot rates: As on 26/7/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5600	130	5730
Equivalent	40 Kgs	6002	130	6132

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