

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Monday.
- Demand is reported to be normal around current levels.
- Arrivals are reported to be around 12000 bales in the northern region.
- Yarn prices have been growing firmly since beginning of current year; Apparel Export Promotion Council (AEPC) has asked government to restrict export and allow duty free import. This move if sanctioned could bring the already good export market sliding down.
- According to sources at Bloomberg, acreage under cotton is likely to decline in the coming season amid lack of sufficient water in the growing regions. This is likely to increase raw materials cost for the garment industry.
- India shipped 13 lakh bales of cotton in Month of March 2013, while imports stood at 0.5 lakh bales.
- Largest importer of cotton was China at 3.66 lakh bales while Bangladesh imported 3.51 lakh bales in the month of March 2013.
- Total Exports in current season 2012-13 stood at 79.25 lakh bales while imports are at 7.25 lakh bales.
- Cotton prices are likely to notice sideways to weak tone in the coming days.

Cotton International Fundamentals

- Cotton yarn imports from Pakistan have increased by 90% in the month of Jan-Feb 2013, as against same period last year. Huge yarn imports show good buying from Indian and Chinese mills. As per data released by Pakistan news agency.
- Cotton prices noticed firm tone in Pakistan amid good demand in the physical market.
- Cotton prices in Brazil continue to rise in March opposite to international prices amid speculation of anticipated purchase by mills before the season off-season peak.

Outlook: We expect domestic cotton prices to notice sideways to weak tone in the near –term amid lack of demand from the millers.

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

Contract	+/-	Open	High	Low	Close
Apr-13	4.5	921.0	924.5	908.0	923.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	6267	-95	8255	-95

Spread Feb-13 Apr-13

Basis 96.5

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/20kg)

Contract	+/-	Open	High	Low	Close
Apr-13	4.20	919	922	906.1	921
Apr-14	2.00	1040	1045.5	1035.1	1042
May-14					

Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-13	1048	514	1422	2
Apr-14	102	59	215	68
May-14				

Spread Apr-13 Apr-14 May-14

Spread	Apr-13	Apr-14	May-14
Basis	99.00	-	
April-13	-	-22.00	
April-14	-	-	-
May-14	-	-	

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
30-Apr-13	-0.05	18860	18990	18670	18870
31-May-13	-0.05	19150	19310	18970	19180
28-Jun-13	0.15	19470	19520	19210	19440
31-Jul-13	0.1	19680	19770	19480	19670

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	8-Apr-13	6-Apr-13	
Amravati-Vunni Mech-1#	-	4800	-
Mahesana-Kadi-Bt Cotton#	4850	5100	-250
Abohar-J-34*	4120	4125	-5
Muktsar-J-34 *(Cotton)	4130	4115	15
#(Kapas BT Cotton)	4850	4800	50
Ahmedabad-Shankar-6#	5100	5100	Unch
Fajlika #(Cotton New)	-	4150	-
#(Kapas BT Cotton)	-	4650	-
Khandwa-(M.P)	5000	-	-
Khargaon-(M.P)	5000	-	-
Gondal	4790	4790	Unch
Rajkot-(B.T)	5010	5000	10
Sri-Ganganagar	4015	4015	Unch
Patan(B.T. Cotton)	4930	4950	-20
Bhiwani- *(Cotton)	-	4100	-
#(Kapas BT Cotton)	-	4700	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	8-Apr-13	6-Apr-13	
Amravati -Vunni Mech-1#	-	1200	-
Mahesana-Kadi -Bt Cotton	200	200	Unch
Abohar-J-34*	600	600	Unch
Muktsar-J-34 #(Kapas BT Cotton)	200	560	-360
Ahmedabad - Shankar-6#	15000	17000	-2000

Fajlika#(Kapas BT Cotton)	-	2500	-
Khandwa (M.P)	800	-	-
Khargaon-(M.P)	3000	-	-
Gondal	122	158	-36
Rajkot-(B.T)	2080	3220	-1140
Sri-Ganganagar	8564	6423	2141
Patan(B.T. Cotton)	4150	6300	-2150
Bhiwani #(Kapas BT Cotton)	-	300	-

Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 6/4/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (6/4/2013)	Rs. Per Candy (5/4/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34200	34600	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	35500	-400
J-34(202)	26mm	3.5 - 4.9	23	37500	37900	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38200	38600	-400
Shankar-6(105)	29mm	3.5 - 4.9	28	39000	39400	-400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40100	40500	-400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41500	41500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	49800	50300	-500

Cotlook Index: As on 5/4/2013

Cotlook Indices	Cents/Pound	Change
A-Index	94.85	-0.85

China Cotton Index: As on 8/4/2013

Index	RMB/Ton	Change
CCIndex(328)	19383	+1
CCIndex(527)	17002	+3
CCIndex(229)	20081	+2

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

USDA Cotton Spot Rates: As on 5/4/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.54	87.79	2422
North Delta	83.29	85.79	3770
South Delta	83.29	85.79	2240
East TX-OK	81.25	84.00	479
West Texas	81.25	84.25	1985
Desert SW	80.29	86.79	NIL
SJ Valley	81.29	91.94	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 5/4/2013

Contract	Open	High	Low	Close	Change
13-May	88.30	88.33	86.56	86.79	-1.54
13-Jul	89.97	89.98	88.30	88.57	-1.40
13-Oct	87.93	87.93	87.93	87.93	-1.30
13-Dec	87.98	87.98	86.41	86.71	-1.23
14-Mar	87.00	87.02	86.59	86.63	-0.93
14-May	86.58	86.58	86.58	86.58	-0.56

Pakistan Cotton Spot rates: As on 6/4/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6900	155	7055
Equivalent	40 Kgs	7395	155	7550

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>
 © 2013 Indian Agribusiness Systems Pvt Ltd.