

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Tuesday.
- Ginners are reluctant to sell around current levels.
- Arrivals are reported to be around 9000 bales in the northern region.
- Tight supply in the ready market is supporting prices.
- 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 steady to weak tone amid lack of buying around current levels.

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 futures at NYMEX closed lower amid expectation of higher acreage in the coming season.
- Cotton prices noticed firm tone in Pakistan amid good demand in the physical market.

Outlook: We expect domestic cotton prices to notice steady to weak tone amid lower demand in the ready market.

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

Contract	+/-	Open	High	Low	Close
Apr-13	11.0	919.5	940.0	916.5	931

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	6916	-596	7659	-596

Spread Feb-13 Apr-13

Basis 79.0

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	12.30	918	935	912	927.30
Apr-14	6.00	1040	1053.7	1040	1047
May-14					

Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-13	1089	41	1379	-43
Apr-14	163	61	273	58
May-14				

Spread Apr-13 Apr-14 May-14

Spread	Apr-13	Apr-14	May-14
Basis	82.70	-	
April-13	-	-37.00	
April-14	-	-	-
May-14	-	-	-

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

Contract	% Change	Open	High	Low	Close
30-Apr-13	0.05	18820	18940	18680	18850
31-May-13	Nil	19120	19250	18990	19160
28-Jun-13	0.15	19310	19470	19240	19400
31-Jul-13	0.36	19520	19710	19450	19640

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	9-Apr-13	8-Apr-13	
Amravati-Vunni Mech-1#	-	-	-
Mahesana-Kadi-Bt Cotton#	5000	4850	150
Abohar-J-34*	4125	4120	5
Muktsar-J-34 *(Cotton)	4135	4130	5
#(Kapas BT Cotton)	4890	4850	40
Ahmedabad-Shankar-6#	5050	5100	-50
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	-	-	-
Khandwa-(M.P)	4950	5000	-50
Khargaon-(M.P)	4950	5000	-50
Gondal	5045	4790	225
Rajkot-(B.T)	5035	5010	25
Sri-Ganganagar	4040	4015	25
Patan(B.T. Cotton)	-	4930	-
Bhiwani- *(Cotton)	-	-	-
#(Kapas BT Cotton)	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	9-Apr-13	8-Apr-13	
Amravati -Vunni Mech-1#	-	-	-
Mahesana-Kadi -Bt Cotton	200	200	Unch
Abohar-J-34*	512	600	-88
Muktsar-J-34 #(Kapas BT Cotton)	250	200	50
Ahmedabad - Shankar-6#	20000	15000	5000
Fajlika#(Kapas BT Cotton)	-	-	-
Khandwa (M.P)	1200	800	400



Khargaon-(M.P)	3000	3000	Unch
Gondal	609	122	487
Rajkot-(B.T)	2100	2080	20
Sri-Ganganagar	6423	8564	-2141
Patan(B.T. Cotton)	-	4930	-
Bhiwani #(Kapas BT Cotton)	-	-	-

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

Cotton Association of India Spot Rates: 8/4/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (8/4/2013)	Rs. Per Candy (6/4/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34200	34200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	35100	Unch
J-34(202)	26mm	3.5 - 4.9	23	37500	37500	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38300	38200	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	38800	39000	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40100	40100	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41100	41500	-400
DCH-32(107)	34mm	3.0 - 3.8	33	49800	49800	Unch

Cotlook Index: As on 8/4/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.50	-1.35

China Cotton Index: As on 9/4/2013

Index	RMB/Ton	Change
CCIndex(328)	19385	+2
CCIndex(527)	17005	+3
CCIndex(229)	20082	+1

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 8/4/2013

Contract	Open	High	Low	Close	Change
13-May	86.79	87.39	85.22	85.38	-1.41
13-Jul	88.47	89.15	87.06	87.26	-1.31
13-Oct	87.74	88	86.56	86.56	-1.37
13-Dec	86.5	87.18	85.43	85.81	-0.9
14-Mar	86.5	86.76	85.56	85.82	-0.81
14-May	85.84	85.84	85.84	85.84	-0.74

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

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