

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to firm tone on Wednesday except slight weakness in Abohar and Gondal markets.
- Arrivals are lower in various mandis, thereby lending some support to the market.
- Millers are buying around current levels in the ready market.
- 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.
- According to the Indian Cotton Confederation, production of cotton in 2012 -13 is estimated to be around 326 lakh bales.
- Export registration for cotton is likely to exceed the set limit of 80 lakh bales amid good Chinese demand according to the Cotton Advisory Board.
- India shipped 13 lakh bales of cotton in Month of March 2013, while imports stood at 0.5 lakh bales.
- 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 firm tone following tight supply in the ready market.

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 noticed sideways movement ahead of the monthly USDA supply and demand report.

Outlook: We expect domestic cotton prices to notice steady to firm tone amid lower arrivals in mandis.

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

Contract	+/-	Open	High	Low	Close
Apr-13	11.5	929.0	944.0	929.0	942

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	6916	-2690	4969	-2690

Spread Feb-13 Apr-13

Basis 68.0

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	11.90	927	940.2	927	938.5
Apr-14	20.00	1042	1080.4	1042	1069
May-14					

Volumes and OI lots

Contract	Volume	Change	OI	Change
Apr-13	896	-193	1357	-22
Apr-14	650	487	419	146
May-14				

Spread Apr-13 Apr-14 May-14

Basis	Apr-13	Apr-14	May-14
April-13	-	-59.00	
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	0.9	18800	19060	18800	19040
31-May-13	0.89	19140	19380	19140	19350
28-Jun-13	0.88	19420	19610	19410	19580
31-Jul-13	0.87	19650	19820	19630	19820

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	10-Apr-13	9-Apr-13	
Amravati-Vunni Mech-1#	4800	-	-
Mahesana-Kadi-Bt Cotton#	5000	5000	Unch
Abohar-J-34*	4045	4125	-80
Muktsar-J-34 *(Cotton)	4155	4135	20
#(Kapas BT Cotton)	4900	4890	10
Ahmedabad-Shankar-6#	5050	5050	Unch
Fajlika #(Cotton New)	4105	-	-
#(Kapas BT Cotton)	4796	-	-
Khandwa-(M.P)	-	4950	-
Khargaon-(M.P)	-	4950	-
Gondal	5005	5045	-40
Rajkot-(B.T)	-	5035	-
Sri-Ganganagar	4050	4040	10
Patan(B.T. Cotton)	-	-	-
Bhiwani- *(Cotton)	4100	-	-
#(Kapas BT Cotton)	4750	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	10-Apr-13	9-Apr-13	
Amravati -Vunni Mech-1#	1500	-	-
Mahesana-Kadi -Bt Cotton	50	200	-150
Abohar-J-34*	500	512	-12
Muktsar-J-34 #(Kapas BT Cotton)	260	250	10
Ahmedabad - Shankar-6#	18000	20000	-2000

Fajlika#(Kapas BT Cotton)	2500	-	-
Khandwa (M.P)	-	1200	-
Khargaon-(M.P)	-	3000	-
Gondal	801	609	192
Rajkot-(B.T)	-	2100	-
Sri-Ganganagar	4282	6423	-2141
Patan(B.T. Cotton)		-	-
Bhiwani #(Kapas BT Cotton)	500	-	-

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	92.15	-1.35

China Cotton Index: As on 10/4/2013

Index	RMB/Ton	Change
CCIndex(328)	19386	+1
CCIndex(527)	17007	+2
CCIndex(229)	20084	+2

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

USDA Cotton Spot Rates: As on 9/4/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.64	85.89	534
North Delta	81.39	83.89	1048
South Delta	81.39	83.89	NIL
East TX-OK	79.25	82.00	696
West Texas	79.25	82.25	NIL
Desert SW	78.14	84.64	NIL
SJ Valley	79.14	89.79	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 9/4/2013

Contract	Open	High	Low	Close	Change
13-May	85.38	85.86	84.38	84.64	-0.74
13-Jul	87.1	87.7	86.34	86.61	-0.65
13-Oct	86.09	86.09	86.09	86.09	-0.47
13-Dec	85.55	86.46	85.47	85.79	-0.02
14-Mar	86.18	86.5	85.75	85.9	0.08
14-May	86.4	86.4	85.7	85.85	0.01

Pakistan Cotton Spot rates: As on 9/4/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6800	155	6955
Equivalent	40 Kgs	7288	155	7443

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