

Cotton Domestic Fundamentals:

- Cotton prices noticed mix tone on Thursday.
- CCI is likely to offload 2-3 lakh bales to local mills as per report from market sources.
- Exports are slumped due to none buying of China.
- There is not much demand from the millers around current levels.
- Lack of demand for yarn weighed on prices to certain extent.
- Lack of sufficient stocks in the ready market lent some support to the market.
- According to the Indian Cotton Confederation, production of cotton in 2012 -13 is estimated to be around 326 lakh bales.

Cotton International Fundamentals

- Cotton futures at NYMEX noticed firm tone amid fresh buying by millers.
- According to China Cotton Association, it will start procuring cotton at same price compared to previous year in order to stabilize domestic production.
- Building of stocks by China will weigh on prices in the medium –term.
- According to Pakistan Ginner's Association, production of cotton in the first nine months ending on March 31, 2013 is estimated at 12.88 million bales compared to 14.67 million bales during the same period previous year.

Outlook: We expect domestic cotton prices to notice sideways to weak tone amid lack of buying interest from the millers.

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

Contract	+/-	Open	High	Low	Close
Apr-13	-16.0	882.0	885.0	863.0	866.50
Feb-14	-31.0	1,020.0	1,020.0	1,013.0	1013.00
Mar-14	0	0.0	0.0	0.0	0.0
Apr-14	-13.0	1,068.0	1,068.0	1,049.0	1054.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	3873	-649	3909	-649
Feb-14	3	-2	3	-2
Mar-14	0	0	0	0
Apr-14	397	-65	508	-65

Spread	Apr-13	Feb-14	Mar-14	Apr-14
Basis	133.5			
Feb-14		-13.0		
Mar-14			0	
Apr-14				-54.00

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	-15.60	878.1	880	862	863.4
Apr-14	-4.30	1040	1040	1025.1	1032.50
May-14	-11.20	1058	1058	1042	1045.8

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	543	115	766	-113
Apr-14	58	9	119	-325
May-14	94	94	451	451

Spread	Apr-13	Apr-14	May-14
Basis	136.60		
April-14		-32.50	
May-14			-45.80

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	4	17850	18130	17800	18080
31-May-13	1	18200	18440	18110	18380
28-Jun-13	2	18410	18700	18380	18620
31-Jul-13	2	18690	18910	18620	18830

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	19-Apr-13	18-Apr-13	
Amravati–Vunni Mech-1#	4720	4720	Unch
Mahesana-Kadi–Bt Cotton#	4850	4800	50
Abohar–J-34*	4030	4020	10
Muktsar–J-34 *(Cotton)	4130	4110	20
*(Kapas BT Cotton)	4650	4600	50
Ahmedabad–Shankar-6#	5000	4950	50
Fajlika *(Cotton New)	3970	3970	Unch
*(Kapas BT Cotton)	4609	4600	9
Khandwa-(M.P)	-	4700	-
Khargaon-(M.P)	-	4700	-
Gondal	4940	4995	-55
Rajkot-(B.T)	4940	4955	-15
Sri-Ganganagar	3970	4040	-70
Patan(B.T. Cotton)	-	4845	-
Bhiwani– *(Cotton)	3970	3930	40
*(Kapas BT Cotton)	4625	4600	25

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	19-Apr-13	18-Apr-13	
Amravati –Vunni Mech-1#	1500	1500	Unch
Mahesana-Kadi –Bt Cotton	100	200	-100
Abohar–J-34*	300	400	-100
Muktsar–J-34 *(Kapas BT Cotton)	100	100	Unch

Ahmedabad – Shankar-6#	17000	17000	Unch
Fajlika#(Kapas BT Cotton)	1000	1000	Unch
Khandwa (M.P)	-	400	-
Khargaon-(M.P)	-	2000	-
Gondal	466	529	-63
Rajkot-(B.T)	2250	2310	-60
Sri-Ganganagar	2141	2141	Unch
Patan(B.T. Cotton)	-	3035	-
Bhiwani #(Kapas BT Cotton)	300	400	-100
Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales			

Cotton Association of India Spot Rates: 17/4/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (17/4/2013)	Rs. Per Candy (16/4/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
J-34(202)	26mm	3.5 - 4.9	23	36400	36400	Unch
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37300	37300	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	37400	37700	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39200	39200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40100	40100	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	48000	48000	Unch

Cotlook Index: As on 17/4/2013

Cotlook Indices	Cents/Pound	Change
A-Index	91.65	-0.55

China Cotton Index: As on 18/4/2013

Index	RMB/Ton	Change
CCIndex(328)	19378	-2
CCIndex(527)	17011	Unch
CCIndex(229)	20081	-1

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

USDA Cotton Spot Rates: As on 17/4/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.90	87.15	987

North Delta	82.65	85.15	811
South Delta	82.65	85.15	NIL
East TX-OK	80.65	83.40	59
West Texas	80.65	83.65	NIL
Desert SW	79.15	85.65	NIL
SJ Valley	80.15	90.80	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 17/4/2013

Contract	Open	High	Low	Close	Change
13-May	83.4	85.46	82.97	84.65	1.3
13-Jul	85.29	87.52	85.05	86.65	1.23
13-Oct	85.80	85.80	85.80	85.80	1.11
13-Dec	84.72	86.73	84.50	85.87	1.12
14-Mar	84.63	86.20	84.47	85.68	0.92
14-May	84.59	85.95	84.43	85.50	0.7

Pakistan Cotton Spot rates: As on 17/4/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6700	155	6855
Equivalent	40 Kgs	7180	155	7335

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