

Cotton Domestic Fundamentals:

- Cotton prices noticed mix tone on Saturday.
- 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	-34.5	852.0	860.0	832.0	832.00
Feb-14	-30.5	1,006.5	1,006.5	987.0	987.0
Mar-14	-31.5	0.0	1,021.0	1,021.0	1021.00
Apr-14	-37.5	1,053.0	1,053.0	1,011.5	1,015.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	4217	452	4361	452
Feb-14	5	1	4	1
Mar-14	0	0	0	0
Apr-14	669	40	548	40

Spread	Apr-13	Feb-14	Mar-14	Apr-14
Basis	168.0			
Feb-14		13.0		
Mar-14			-21.0	
Apr-14				-15.00

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	-34.50	870	870	829.6	829.60
Apr-14	-39.00	1038	1038	988.9	991.1
May-14	-35.40	1043	1048	1004.1	1009.70

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	887	344	1090	324
Apr-14	97	39	113	-6
May-14	223	129	395	-56

Spread	Apr-13	Apr-14	May-14
Basis	170.40		
April-14		8.90	
May-14			-9.70

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		17840	17880	17460	17540
31-May-13		18130	18190	17770	17820
28-Jun-13		18390	18430	17980	18010
31-Jul-13		18620	18660	18230	18280

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	20-Apr-13	18-Apr-13	
Amravati–Vunni Mech-1#	-	4720	-
Mahesana-Kadi–Bt Cotton#	4750	4850	-100
Abohar–J-34*	4050	4030	20
Muktsar–J-34 *(Cotton)	4060	4130	-70
*(Kapas BT Cotton)	4675	4650	25
Ahmedabad–Shankar-6#	5000	5000	Unch
Fajlika *(Cotton New)	4050	3970	80
*(Kapas BT Cotton)	4750	4609	141
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	-	4940	-
Rajkot-(B.T)	4900	4940	-40
Sri-Ganganagar	3970	3970	Unch
Patan(B.T. Cotton)	-	-	-
Bhiwani– *(Cotton)	3970	3970	Unch
*(Kapas BT Cotton)	4625	4625	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	20-Apr-13	18-Apr-13	
Amravati –Vunni Mech-1#	-	1500	-
Mahesana-Kadi –Bt Cotton	100	100	Unch
Abohar–J-34*	300	300	Unch
Muktsar–J-34 *(Kapas BT Cotton)	50	100	-50

Ahmedabad – Shankar-6#	15000	17000	-2000
Fajlika#(Kapas BT Cotton)	1000	1000	Unch
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	-	466	-
Rajkot-(B.T)	2460	2250	210
Sri-Ganganagar	2414	2141	273
Patan(B.T. Cotton)	-	-	-
Bhiwani #(Kapas BT Cotton)	300	300	Unch
Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales			

Cotton Association of India Spot Rates: 18/4/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (18/4/2013)	Rs. Per Candy (17/4/2013)	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	36500	36400	100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37300	37300	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	37900	37400	500
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 19/4/2013

Cotlook Indices	Cents/Pound	Change
A-Index	91.75	-0.95

China Cotton Index: As on 19/4/2013

Index	RMB/Ton	Change
CCIndex(328)	19371	-7
CCIndex(527)	17008	-3
CCIndex(229)	20077	-4

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

USDA Cotton Spot Rates: As on 18/4/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.73	85.98	NIL

North Delta	81.48	83.98	NIL
South Delta	81.48	83.98	NIL
East TX-OK	79.50	82.25	NIL
West Texas	79.50	82.50	NIL
Desert SW	77.98	84.48	NIL
SJ Valley	78.98	89.63	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 19/4/2013

Contract	Open	High	Low	Close	Change
13-May	83.5	84.09	83.12	83.48	Unch
13-Jul	85.48	86.15	85.11	85.36	-0.12
13-Oct	85.48	85.48	85.26	85.26	0.35
13-Dec	85.26	86.1	85.05	85.17	0.09
14-Mar	85.16	85.86	84.98	85.13	0.15
14-May	85.13	85.13	85.13	85.13	0.26

Pakistan Cotton Spot rates: As on 18/4/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6650	155	6805
Equivalent	40 Kgs	7127	155	7282

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