

Cotton Domestic Fundamentals:

- Cotton prices noticed mix tone on Tuesday.
- Export demand is less on China announcement to sell some of cotton reserve also low buying from millers which are putting pressure on prices.
- Lower demand of cotton forced downward trend on most markets. With summer heat increasing with each passing day, trading activity is falling across Indian markets. According to market sources, 40 lakh bales are still with farmers across India which will come to markets in coming months till end of this season.
- Exports are slumped due to none buying of China.

Cotton International Fundamentals

- China state reserve off load upset export demand of Indian Cotton.
- China has imported most of its cotton stocks from India, shows data released by agency.
- 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.

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	7.5	853.0	867.0	843.5	857.00
Feb-14	0	0.0	0.0	0.0	0.0
Mar-14	0	0.0	0.0	0.0	0.0
Apr-14	10.5	1,025.5	1,035.0	1,016.5	1,025.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	2936	-255	3417	-255
Feb-14	0	0	4	0
Mar-14	0	0	0	0
Apr-14	959	-24	532	-24

Spread	Apr-13	Feb-14	Mar-14	Apr-14
Basis	123.0			
Feb-14		980.0		
Mar-14			980.0	
Apr-14				-45.50

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	3.50	848.2	862	841.6	850.5
Apr-14	-5.90	1006	1013	1000	1001.9
May-14	-4.30	1022.1	1030	1016.1	1023.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	813	-633	1109	151
Apr-14	54	-31	106	-6
May-14	150	-187	358	-35

Spread	Apr-13	Apr-14	May-14
Basis	129.50		
April-14		-21.90	
May-14			-43.50

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	-0.72	17800	18030	17730	17840
31-May-13	-0.66	18300	18330	18020	18140
28-Jun-13	-0.6	18400	18520	18230	18350
31-Jul-13	-0.43	18660	18720	18450	18600

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	23-Apr-13	22-Apr-13	
Amravati-Vunni Mech-1#	-	4400	-
Mahesana-Kadi-Bt Cotton#	4700	4700	Unch
Abohar-J-34*	4020	4030	-10
Muktsar-J-34 *(Cotton)	4025	3950	75
*(Kapas BT Cotton)	4500	4650	-150
Ahmedabad-Shankar-6#	4900	4900	Unch
Fajlika *(Cotton New)	3860	3870	-10
*(Kapas BT Cotton)	4475	4475	Unch
Khandwa-(M.P)	4300	4300	Unch
Khargaon-(M.P)	4300	4300	Unch
Gondal	4855	4800	55
Rajkot-(B.T)	4910	4860	50
Sri-Ganganagar	3920	3870	50
Bhiwani- *(Cotton)	3870	3930	-60
*(Kapas BT Cotton)	4500	4550	-50
Patan(B.T. Cotton)	-	4820	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	23-Apr-13	22-Apr-13	
Amravati -Vunni Mech-1#	-	1500	-
Mahesana-Kadi -Bt Cotton	60	50	10
Abohar-J-34*	250	300	-50
Muktsar-J-34 *(Kapas BT Cotton)	35	50	-15
Ahmedabad - Shankar-6#	6000	15000	-9000
Fajlika*(Kapas BT Cotton)	600	600	Unch

Khandwa (M.P)	600	600	Unch
Khargaon-(M.P)	2500	2500	Unch
Gondal	654	282	372
Rajkot-(B.T)	850	1210	-360
Sri-Ganganagar	2141	2141	Unch
Bhiwani #(Kapas BT Cotton)	200	200	Unch
Patan(B.T. Cotton)	-	2480	-
Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales			

Cotton Association of India Spot Rates: 22/4/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (22/4/2013)	Rs. Per Candy (20/4/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33500	33700	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34400	34600	-200
J-34(202)	26mm	3.5 - 4.9	23	35800	36500	-700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36700	37300	-600
Shankar-6(105)	29mm	3.5 - 4.9	28	37000	37600	-600
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38200	38900	-700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39100	39800	-700
DCH-32(107)	34mm	3.0 - 3.8	33	46500	47500	-1000

Cotlook Index: As on 22/4/2013

Cotlook Indices	Cents/Pound	Change
A-Index	91.75	Unch

China Cotton Index: As on 23/4/2013

Index	RMB/Ton	Change
CCIndex(328)	19370	-3
CCIndex(527)	17011	+1
CCIndex(229)	20077	-1

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

USDA Cotton Spot Rates: As on 22/4/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.4	86.65	1046
North Delta	82.15	84.65	2496
South Delta	82.15	84.65	410
East TX-OK	80.25	83	NIL

West Texas	80.25	83.25	NIL
Desert SW	78.65	85.15	NIL
SJ Valley	79.65	90.3	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 22/4/2013

Contract	Open	High	Low	Close	Change
13-May	83.7	84.4	83.35	84.33	0.85
13-Jul	85.36	86.29	85.19	86.15	0.79
13-Oct	86.13	86.13	86.13	86.13	0.87
13-Dec	85.32	86.3	85.18	86.19	1.02
14-Mar	85.94	86.17	85.6	86.17	1.04
14-May	85.59	86.21	85.59	86.21	1.08

Pakistan Cotton Spot rates: As on 22/4/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6600	155	6755
Equivalent	40 Kgs	7073	155	7228

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