

## Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Friday except Sri-Ganganagar and Fazilika.
- 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   | 0.0  | 849.0   | 856.0   | 849.0   | 851.00  |
| Feb-14   | 0    | 0.0     | 0.0     | 0.0     | 0.0     |
| Mar-14   | 0    | 0.0     | 0.0     | 0.0     | 0.0     |
| Apr-14   | 10.0 | 1,016.0 | 1,031.0 | 1,016.0 | 1029.00 |

### Volumes and OI in Lots

| Contract | Volume | Change | OI   | Change |
|----------|--------|--------|------|--------|
| Apr-13   | 412    | -365   | 2334 | -365   |
| Feb-14   | 0      | 0      | 4    | 0      |
| Mar-14   | 0      | 0      | 0    | 0      |
| Apr-14   | 903    | 126    | 833  | 126    |

| Spread | Apr-13 | Feb-14 | Mar-14 | Apr-14 |
|--------|--------|--------|--------|--------|
| Basis  | 139.0  |        |        |        |
| Feb-14 |        | 990.0  |        |        |
| Mar-14 |        |        | 990.0  |        |
| Apr-14 |        |        |        | -39.00 |

**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   | -1.00 | 845  | 850.9  | 836  | 840    |
| Apr-14   | 10.20 | 1005 | 1018.7 | 1005 | 1013   |
| May-14   | 12.80 | 1014 | 1029.5 | 1014 | 1028.5 |

### Volumes and OI in Lots

| Contract | Volume | Change | OI  | Change |
|----------|--------|--------|-----|--------|
| Apr-13   | 57     | -64    | 931 | -57    |
| Apr-14   | 53     | -44    | 107 | -8     |
| May-14   | 77     | -46    | 358 | 1      |

| Spread   | Apr-13 | Apr-14 | May-14 |
|----------|--------|--------|--------|
| Basis    | 150.00 |        |        |
| April-14 |        | -23.00 |        |
| May-14   |        |        | -38.50 |

**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 | 1.54     | 17560 | 17860 | 17560 | 17810 |
| 31-May-13 | 1.52     | 17750 | 18100 | 17750 | 18050 |
| 28-Jun-13 | 1.73     | 18050 | 18290 | 18050 | 18270 |
| 31-Jul-13 | 1.6      | 18300 | 18500 | 18300 | 18470 |

**Cotton Prices at Key Spot Markets**

| Centre (1 bale = 170 Kg) | Prices (Rs/Qtl) |           | Change |
|--------------------------|-----------------|-----------|--------|
|                          | 26-Apr-13       | 25-Apr-13 |        |
| Amravati-Vunni Mech-1#   | 4400            | 4200      | 200    |
| Mahesana-Kadi-Bt Cotton# | -               | 4750      | -      |
| Abohar-J-34*             | 3990            | 3980      | 10     |
| Muktsar-J-34 *(Cotton )  | 4000            | 3990      | 10     |
| *(Kapas BT Cotton)       | 4500            | 4500      | Unch   |
| Ahmedabad-Shankar-6#     | 4950            | 4900      | 50     |
| Fajlika *(Cotton New)    | 3890            | 3870      | 20     |
| *(Kapas BT Cotton)       | 4445            | 4475      | -30    |
| Khandwa-(M.P)            | -               | -         | -      |
| Khargaon-(M.P)           | -               | -         | -      |
| Gondal                   | -               | -         | -      |
| Rajkot-(B.T)             | 4940            | -         | -      |
| Sri-Ganganagar           | 3910            | 3920      | -10    |
| Patan(B.T. Cotton)       | 4860            | -         | -      |
| Bhiwani- *(Cotton )      | 3870            | 3850      | 20     |
| *(Kapas BT Cotton)       | 4550            | 4500      | 50     |

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

**Cotton Arrivals in Key Centers**

| Centre (1 bale = 170 Kg)        | Arrivals  |           | Change |
|---------------------------------|-----------|-----------|--------|
|                                 | 26-Apr-13 | 25-Apr-13 |        |
| Amravati -Vunni Mech-1#         | 3000      | 3000      | Unch   |
| Mahesana-Kadi -Bt Cotton        | -         | 50        | -      |
| Abohar-J-34*                    | 50        | 300       | -250   |
| Muktsar-J-34 *(Kapas BT Cotton) | -         | 50        | -      |
| Ahmedabad - Shankar-6#          | 12000     | 10000     | 2000   |

|                            |      |      |             |
|----------------------------|------|------|-------------|
| Fajlika#(Kapas BT Cotton)  | 600  | 400  | <b>200</b>  |
| Khandwa (M.P)              | -    | -    | -           |
| Khargaon-(M.P)             | -    | -    | -           |
| Gondal                     | -    | -    | -           |
| Rajkot-(B.T)               | 2450 | -    | -           |
| Sri-Ganganagar             | 1713 | 1713 | <b>Unch</b> |
| Patan(B.T. Cotton)         | 1130 | -    | -           |
| Bhiwani #(Kapas BT Cotton) | 200  | 300  | <b>-100</b> |

**Cotton Association of India Spot Rates: 26/4/2013**

| Trade Name                            | Staple     | Micronaire | Strength/<br>GPT | Rs. Per<br>Candy<br>(25/4/2013) | Rs. Per<br>Candy<br>(24/4/2013) | Change      |
|---------------------------------------|------------|------------|------------------|---------------------------------|---------------------------------|-------------|
| Bengal Deshi (RG)/ Assam Comilla(101) | Below 22mm | 5.0 - 7.0  | 15               | 33300                           | 33500                           | <b>-200</b> |
| Bengal Deshi (SG)(201)                | Below 22mm | 5.0 - 7.0  | 15               | 34200                           | 34400                           | <b>-200</b> |
| J-34(202)                             | 26mm       | 3.5 - 4.9  | 23               | 35700                           | 36100                           | <b>-400</b> |
| H-4/ MECH-1(105)                      | 28mm       | 3.5 - 4.9  | 27               | 36200                           | 36700                           | <b>-500</b> |
| Shankar-6(105)                        | 29mm       | 3.5 - 4.9  | 28               | 36700                           | 37200                           | <b>-500</b> |
| Bunny/ Brahma(105)                    | 31mm       | 3.5 - 4.9  | 30               | 38400                           | 38400                           | <b>Unch</b> |
| MCU-5/ Surabhi(106)                   | 32mm       | 3.3 - 4.9  | 31               | 39200                           | 39400                           | <b>-200</b> |
| DCH-32(107)                           | 34mm       | 3.0 - 3.8  | 33               | 46500                           | 46500                           | <b>Unch</b> |

**Cotlook Index: As on 25/4/2013**

| Cotlook Indices | Cents/Pound | Change       |
|-----------------|-------------|--------------|
| A-Index         | 90.60       | <b>-1.30</b> |

**China Cotton Index: As on 26/4/2013**

| Index        | RMB/Ton | Change    |
|--------------|---------|-----------|
| CCIndex(328) | 19365   | <b>-1</b> |
| CCIndex(527) | 17005   | <b>-2</b> |
| CCIndex(229) | 20073   | <b>-1</b> |

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

**USDA Cotton Spot Rates: As on 25/4/2013**

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals   |
|-------------|---------------------|---------------------|------------|
|             | cents/lb.           |                     | bales      |
| Southeast   | 80.48               | 83.73               | <b>NIL</b> |
| North Delta | 79.48               | 81.98               | <b>NIL</b> |

|             |       |       |             |
|-------------|-------|-------|-------------|
| South Delta | 79.48 | 81.98 | <b>NIL</b>  |
| East TX-OK  | 78    | 80.75 | <b>1055</b> |
| West Texas  | 78    | 81    | <b>NIL</b>  |
| Desert SW   | 75.73 | 82.23 | <b>NIL</b>  |
| SJ Valley   | 76.73 | 87.38 | <b>NIL</b>  |

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 25/4/2013**

| Contract | Open  | High  | Low   | Close | Change       |
|----------|-------|-------|-------|-------|--------------|
| 13-May   | 81.21 | 81.76 | 81.21 | 81.33 | <b>0.23</b>  |
| 13-Jul   | 82.95 | 83.87 | 82.95 | 83.23 | <b>0.28</b>  |
| 13-Oct   | 83.01 | 83.01 | 83.01 | 83.01 | <b>0.16</b>  |
| 13-Dec   | 83.42 | 84.01 | 83.22 | 83.28 | <b>-0.14</b> |
| 14-Mar   | 83.7  | 84.1  | 83.46 | 83.46 | <b>-0.16</b> |
| 14-May   | 84.01 | 84.25 | 83.68 | 83.68 | <b>-0.08</b> |

**Pakistan Cotton Spot rates: As on 25/4/2013 (in Pakistan Rupees)**

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

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