

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Tuesday except Rajkot.
- Ginners are reluctant to sell cotton that is supporting prices in near term.
- Exports are virtually at standstill, China is buying from other countries even after Indian raw cotton are competitively priced.
- Cotton Corporation of India (CCI) has started to off load Cotton from Friday through e-auction. It offered to sell 25,000 bales. In effort to make arrivals in market. This is likely to increase prices as millers have yet to procure for whole year and arrivals are already short.
- Export demand is less on China announcement to sell some of cotton reserve also low buying from millers which are putting pressure on prices.

Cotton International Fundamentals

- ICE cotton continue to fall on weak demand, US export sale grew from previous week amid good demand from China.
- USA export has reached to 2.37 lakh bales (1 bales=218kg), mainly to China which is higher than previous month.
- 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.

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	2.5	848.0	852.0	846.0	851.5
Feb-14	-8.0	1,020.0	1,025.0	1,016.5	1023.00
Mar-14	0	0.0	0.0	0.0	0.0
Apr-14	2.5	1,049.5	1,063.0	1,048.5	1054.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	1050	-1026	260	-1026
Feb-14	13	0	7	0
Mar-14	0	0	1	0
Apr-14	846	-44	815	-44

Spread	Apr-13	Feb-14	Mar-14	Apr-14
Basis	148.5			
Feb-14		-23.0		
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	2.60	830	840	830	839.8
Apr-14	2.70	1028	1035.7	1022	1027.4
May-14	1.50	1049	1065	1048	1050.1

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-13	615	427	53	-615
Apr-14	43	-29	113	10
May-14	52	-140	354	2

Spread	Apr-13	Apr-14	May-14
Basis	160.20		
April-14		-27.40	
May-14			-50.10

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	-0.11	18130	18190	17990	18070
31-May-13	-0.27	18400	18480	18310	18320
28-Jun-13	-0.27	18630	18730	18550	18560
31-Jul-13	-0.16	18790	18950	18790	18790

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-Apr-13	29-Apr-13	
Amravati-Vunni Mech-1#	4450	4400	50
Mahesana-Kadi-Bt Cotton#	4750	4600	150
Abohar-J-34*	4115	4070	45
Muktsar-J-34 *(Cotton)	4115	4070	45
*(Kapas BT Cotton)	4700	4710	-10
Ahmedabad-Shankar-6#	5000	5000	Unch
Fajlika *(Cotton New)	4070	4020	50
*(Kapas BT Cotton)	4750	4639	111
Khandwa-(M.P)	-	4300	-
Khargaon-(M.P)	-	4300	-
Gondal	4845	4680	165
Rajkot-(B.T)	4975	4980	-5
Sri-Ganganagar	4010	3930	80
Patan(B.T. Cotton)	4930	4870	60
Bhiwani- *(Cotton)	3970	3920	50
*(Kapas BT Cotton)	4625	4625	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-Apr-13	29-Apr-13	
Amravati -Vunni Mech-1#	4000	3500	500
Mahesana-Kadi -Bt Cotton	50	50	Unch
Abohar-J-34*	50	100	-50
Muktsar-J-34 *(Kapas BT Cotton)	-	-	-
Ahmedabad - Shankar-6#	12000	12000	Unch

Fajlika#(Kapas BT Cotton)	400	600	-200
Khandwa (M.P)	-	300	-
Khargaon-(M.P)	-	1500	-
Gondal	620	443	177
Rajkot-(B.T)	1500	1450	50
Sri-Ganganagar	1285	1285	Unch
Patan(B.T. Cotton)	2200	2000	200
Bhiwani #(Kapas BT Cotton)	200	200	Unch

Cotton Association of India Spot Rates: 29/4/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (29/4/2013)	Rs. Per Candy (27/4/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33300	+400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34600	34200	+400
J-34(202)	26mm	3.5 - 4.9	23	36100	36000	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36700	36600	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	37300	37200	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38800	38700	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39700	39600	+100
DCH-32(107)	34mm	3.0 - 3.8	33	48000	47500	+500

Cotlook Index: As on 29/4/2013

Cotlook Indices	Cents/Pound	Change
A-Index	91.80	+1.00

China Cotton Index: As on 29/4/2013

Index	RMB/Ton	Change
CCIndex(328)	19362	-1
CCIndex(527)	16999	-3
CCIndex(229)	20072	-1

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

USDA Cotton Spot Rates: As on 29/4/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.99	86.24	88
North Delta	81.99	84.49	NIL

South Delta	81.99	84.49	NIL
East TX-OK	80.5	83.25	NIL
West Texas	80.5	83.5	72
Desert SW	78.24	84.74	NIL
SJ Valley	79.24	89.89	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 29/4/2013

Contract	Open	High	Low	Close	Change
13-May	84	84	82.5	83.6	1.35
13-Jul	84.35	86.27	84.26	85.74	1.49
13-Oct	85	85.02	85	85.02	1.29
13-Dec	83.36	85.1	83.36	84.7	1.12
14-Mar	84	85.25	84	84.95	1.1
14-May	85.16	85.16	85.16	85.16	1.1

Pakistan Cotton Spot rates: As on 29/4/2013 (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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