

## Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Friday.
- 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

- 14% of US cotton plantation progress has been completed.
- 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.

**Outlook:** We expect domestic cotton prices to notice sideways to strong tone amid buying interest from the millers.

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

Contract	+/-	Open	High	Low	Close
Feb-14	0.0	0.0	0.0	0.0	0.0
Mar-14	-8.0	1,024.0	1,024.0	1,024.0	1,024.0
Apr-14	10.5	1,035.0	1,050.0	1,033.0	1042.50

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	7	0
Mar-14	1	0	1	0
Apr-14	1431	182	1027	182

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		-34.0	
Apr-14			-52.50

**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-14	10.20	1015	1025	1011.1	1021
May-14	10.60	1035	1046	1031.5	1040

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	38	-5	98	-15
May-14	87	35	365	11

Spread	Apr-14	May-14
April-14	-31.00	
May-14		-50.00

**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
31-May-13	1.56	18000	18260	18000	18180
28-Jun-13	1.66	18270	18470	18230	18410
31-Jul-13	1.69	18440	18710	18440	18650

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	03-May-13	02-May-13	
Amravati-Vunni Mech-1#	4550	4600	-50
Mahesana-Kadi-Bt Cotton#	4750	4750	Unch
Abohar-J-34*	4080	4080	Unch
Muktsar-J-34 *(Cotton )	4080	4100	-20
*(Kapas BT Cotton)	4600	4600	Unch
Ahmedabad-Shankar-6#	4950	5000	-50
Fajlika *(Cotton New)	-	4055	-
*(Kapas BT Cotton)	-	4750	-
Khandwa-(M.P)	-	4300	-
Khargaon-(M.P)	-	4300	-
Gondal	4905	4995	-90
Rajkot-(B.T)	4930	4925	5
Sri-Ganganagar	3970	3890	80
Patan(B.T. Cotton)	4815	4870	-55
Bhiwani- *(Cotton )	4030	4000	30
*(Kapas BT Cotton)	4650	4625	25

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	03-May-13	02-May-13	
Amravati -Vunni Mech-1#	2300	1500	800
Mahesana-Kadi -Bt Cotton	70	50	20
Abohar-J-34*	50	60	-10
Muktsar-J-34 *(Kapas BT Cotton)	-	-	-
Ahmedabad - Shankar-6#	12000	12000	Unch
Fajlika*(Kapas BT Cotton)	-	200	-
Khandwa (M.P)	-	150	-

Khargaon-(M.P)	-	2000	-
Gondal	716	342	374
Rajkot-(B.T)	1200	1950	-750
Sri-Ganganagar	1285	1285	Unch
Patan(B.T. Cotton)	2000	2000	Unch
Bhiwani #(Kapas BT Cotton)	200	200	Unch

**Cotton Association of India Spot Rates: 02/5/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (02/5/2013)	Rs. Per Candy (30/4/2013)	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	36200	36700	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36400	36900	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	37000	37500	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38700	39200	-400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39600	40100	-500
DCH-32(107)	34mm	3.0 - 3.8	33	48000	48500	-500

**Cotlook Index: As on 02/5/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	91.90	-3.00

**China Cotton Index: As on 03/5/2013**

Index	RMB/Ton	Change
CCIndex(328)	19358	-2
CCIndex(527)	16998	-1
CCIndex(229)	20070	-2

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

**USDA Cotton Spot Rates: As on 02/5/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.68	86.93	NIL
North Delta	82.43	84.93	NIL
South Delta	82.43	84.93	NIL
East TX-OK	79.5	82.25	962

West Texas	79.5	82.5	<b>137</b>
Desert SW	78.18	84.68	<b>NIL</b>
SJ Valley	79.18	89.83	<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 02/5/2013**

Contract	Open	High	Low	Close	Change
13-May	82.17	84.75	82.15	83.83	<b>1.74</b>
13-Jul	83.87	86.98	83.87	85.68	<b>1.81</b>
13-Oct	84.08	85.74	83.81	84.54	<b>1.42</b>
13-Dec	82.17	84.75	82.15	83.83	<b>1.74</b>
14-Mar	83.87	86.98	83.87	85.68	<b>1.81</b>
14-May	84.08	85.74	83.81	84.54	<b>1.42</b>

**Pakistan Cotton Spot rates: As on 02/5/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	6500	155	6655
<b>Equivalent</b>	40 Kgs	6966	155	7121

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