

## Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Monday.
- CCI has decided to offload 8 lakh bales of cotton in domestic market, with asking rate Rs.1000 lower than at previous unsuccessful bid where 2.5 lakh bales were at auction for Rs 39,000 a candy when prices were at Rs.38,000- Rs.38500 a candy, on this imports are cheaper.
- Nafed is likely to join auction by offloading 3.63 lakh bales in coming days.
- Apparel export went down by 6 percent for 2012-13 as reported by APEC, due to slim demand from major buyers, USA and Europe. This is likely to affect demand for cotton yarn in next fiscal as for current year yarn manufacturers have already stocked up.

## Cotton International Fundamentals

- US cotton futures jump on weekly export data released by US govt.
- ICAC has projected increase in the prices of the cotton in 2013-14 due to fall in acreage, as demand is likely to increase.
- ICAC has projected 5 percent decline in world production of cotton, as farmers are shifting to more profitable crops.

**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	-17.5	1,005.0	1,005.0	1,003.5	1,003.5
Mar-14	0	0.0	0.0	0.0	0.0
Apr-14	7.0	1,040.0	1,055.0	1,032.0	1,048.0

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	2	0	7	0
Mar-14	0	0	1	0
Apr-14	1700	92	1076	92

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-3.5		
Mar-14		0	
Apr-14			-48.00

**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-14	7.40	1015	1035	1010.1	1029
May-14	7.00	1034.5	1053.5	1030.1	1045.6

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	43	31	88	-9
May-14	83	53	368	4

Spread	Apr-14	May-14
April-14	-29.00	
May-14		-45.60

**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	0.11	18180	18240	17960	18200
28-Jun-13	0.11	18410	18470	18180	18420
31-Jul-13	0.05	18660	18700	18440	18670

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	06-May-13	04-May-13	
Amravati-Vunni Mech-1#	4600	4600	Unch
Mahesana-Kadi-Bt Cotton#	4850	4750	100
Abohar-J-34*	4090	4090	Unch
Muktsar-J-34 *(Cotton )	4090	4090	Unch
*(Kapas BT Cotton)	4600	4600	Unch
Ahmedabad-Shankar-6#	5000	5000	Unch
Fajlika *(Cotton New)	4055	4055	Unch
*(Kapas BT Cotton)	4650	4750	-100
Khandwa-(M.P)	-	Closed	-
Khargaon-(M.P)	-	Closed	-
Gondal	4950	4940	10
Rajkot-(B.T)	4930	4940	-10
Sri-Ganganagar	3970	3970	Unch
Patan(B.T. Cotton)	4965	-	-
Bhiwani- *(Cotton )	4090	4050	40
*(Kapas BT Cotton)	4750	4700	50

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	06-May-13	04-May-13	
Amravati -Vunni Mech-1#	2500	2000	500
Mahesana-Kadi -Bt Cotton	40	70	-30
Abohar-J-34*	50	50	Unch
Muktsar-J-34 *(Kapas BT Cotton)	-	-	-
Ahmedabad - Shankar-6#	12000	12000	Unch
Fajlika#(Kapas BT Cotton)	150	200	-50

Khandwa (M.P)	-	Closed	-
Khargaon-(M.P)	-	Closed	-
Gondal	331	584	<b>-253</b>
Rajkot-(B.T)	1500	1400	<b>100</b>
Sri-Ganganagar	856	856	<b>Unch</b>
Patan(B.T. Cotton)	1100	-	-
Bhiwani #(Kapas BT Cotton)	300	500	<b>-200</b>

**Cotton Association of India Spot Rates: 03/5/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (03/5/2013)	Rs. Per Candy (02/5/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33700	<b>Unch</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34600	34600	<b>Unch</b>
J-34(202)	26mm	3.5 - 4.9	23	36500	36200	<b>+300</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36700	36400	<b>+300</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	37300	37000	<b>+300</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39000	38700	<b>+300</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39900	39600	<b>+300</b>
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48000	<b>+500</b>

**Cotlook Index: As on 03/5/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	93.50	<b>+1.60</b>

**China Cotton Index: As on 06/5/2013**

Index	RMB/Ton	Change
CCIndex(328)	19356	<b>-2</b>
CCIndex(527)	16995	<b>-3</b>
CCIndex(229)	20068	<b>-2</b>

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

**USDA Cotton Spot Rates: As on 03/5/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.43	87.68	<b>1466</b>
North Delta	83.43	85.93	<b>104</b>
South Delta	83.43	85.93	<b>14</b>

East TX-OK	80.25	83	<b>2727</b>
West Texas	80.25	83.25	<b>137</b>
Desert SW	78.93	85.43	<b>NIL</b>
SJ Valley	79.93	90.58	<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 03/5/2013**

Contract	Open	High	Low	Close	Change
13-May	84.36	84.72	84.36	84.72	<b>0.89</b>
13-Jul	85.54	86.98	85.51	86.43	<b>0.75</b>
13-Oct	85.29	85.29	85.29	85.29	<b>0.75</b>
13-Dec	84.45	85.51	84.45	84.91	<b>0.44</b>
14-Mar	85.2	85.46	84.57	84.84	<b>0.31</b>
14-May	84.99	85.28	84.63	84.63	<b>0.19</b>

**Pakistan Cotton Spot rates: As on 04/5/2013 (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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