

Cotton Domestic Fundamentals:

- Cotton prices noticed mostly weak tone on Tuesday except slight firmness in Rajkot and Patan markets.
- Ginners are not buying much amid lack of demand from yarn and fabric industry.
- Around 60,000 bales of cotton arrived in the country.
- Lack of export demand added to the weak tone of the market..
- According to agriculture officials in Maharashtra, farmers are likely to intercrop tur with cotton during this kharif season for better returns.
- 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.
- 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

- Cotton futures at NYMEX closed higher amid expectation of lower output in the U.S.
- 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 weak tone amid lack of demand of yarn and fabric.

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

Contract	+/-	Open	High	Low	Close
Feb-14	0	0.0	0.0	0.0	0.0
Mar-14	0	0.0	0.0	0.0	0.0
Apr-14	-8.5	1,048.0	1,050.5	1,034.5	1,040.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-7	0	-7
Mar-14	0	-1	0	-1
Apr-14	1308	36	1112	36

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-45.00

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	-9.30	1023.4	1023.4	1016	1019
May-14	-9.00	1042.9	1042.9	1034	1038

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	27	-16	90	2
May-14	115	32	366	-2

Spread	Apr-14	May-14
April-14	-24.00	
May-14		-43.00

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	-1.26	18250	18260	17920	17970
28-Jun-13	-1.19	18470	18500	18140	18200
31-Jul-13	-1.18	18720	18730	18400	18440

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	07-May-13	06-May-13	
Amravati-Vunni Mech-1#	4600	4600	Unch
Mahesana-Kadi-Bt Cotton#	4800	4850	-50
Abohar-J-34*	4070	4090	-20
Muktsar-J-34 *(Cotton)	4070	4090	-20
*(Kapas BT Cotton)	4600	4600	Unch
Ahmedabad-Shankar-6#	4975	5000	-25
Fajlika *(Cotton New)	4050	4055	-5
*(Kapas BT Cotton)	4600	4650	-50
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	4935	4950	-15
Rajkot-(B.T)	4975	4930	45
Sri-Ganganagar	3950	3970	-20
Patan(B.T. Cotton)	4980	4965	50
Bhiwani- *(Cotton)	4050	4090	-40
*(Kapas BT Cotton)	4650	4750	-100

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

Cotton Arrivals in Key Centers

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

Fajlika#(Kapas BT Cotton)	100	150	-50
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	381	331	50
Rajkot-(B.T)	820	1500	-680
Sri-Ganganagar	428	856	428
Patan(B.T. Cotton)	1100	1100	-
Bhiwani #(Kapas BT Cotton)	200	300	-100

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	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
J-34(202)	26mm	3.5 - 4.9	23	36800	36200	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36700	36400	300
Shankar-6(105)	29mm	3.5 - 4.9	28	37500	37000	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39100	38700	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40000	39600	300
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48000	500

Cotlook Index: As on 03/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.50	1.60

China Cotton Index: As on 07/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19355	-1
CCIndex(527)	16992	-3
CCIndex(229)	20068	Unch

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

USDA Cotton Spot Rates: As on 06/5/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.39	88.64	118
North Delta	84.39	86.89	NIL
South Delta	84.39	86.89	NIL
East TX-OK	80.75	83.50	318
West Texas	80.75	83.75	NIL
Desert SW	79.89	86.39	NIL
SJ Valley	80.89	91.54	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 06/5/2013

Contract	Open	High	Low	Close	Change
13-May	85.27	85.80	84.37	85.31	0.59
13-Jul	86.35	87.47	86.35	87.39	0.96
13-Oct	85.98	86.27	85.98	86.27	0.98
13-Dec	84.86	85.99	84.83	85.95	1.04
14-Mar	85.24	85.62	85.20	85.59	0.75
14-May	84.95	85.31	84.95	85.31	0.68

Pakistan Cotton Spot rates: As on 06/5/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6450	155	6605
Equivalent	40 Kgs	6912	155	7067

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