

**Cotton Domestic Fundamentals:**

- Cotton prices noticed mostly mixed tone on Thursday.
- CCI and Nafed have auctioned 90,000 bales of cotton, out of which 3000 bales were sold. Buyers are making lower bids as cotton prices have come down as low buying interest from millers and exporters.
- 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.

**Cotton International Fundamentals**

- Cotton plantation in US has reached to 17 percent which was 35 percent at this point of time last year.
- Cotton futures at NYMEX closed higher amid expectation of lower output in the U.S and strong Chinese demand.
- ICAC has projected increase in the prices of the cotton in 2013-14 due to fall in acreage, as demand is likely to increase.

**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	-1.5	999.0	999.0	999.0	999.0
Mar-14	-14.0	1,010.0	1,010.0	1,010.0	1,010.0
Apr-14	-6.0	1,040.0	1,044.0	1,026.0	1031.50

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-14	1	0	8	0
Mar-14	1	0	1	0
Apr-14	1629	166	1278	166

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-9.0		
Mar-14		-20.0	
Apr-14			-41.50

**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	-5.40	1024.9	1026	1010	1013.6
May-14	-2.40	1037.1	1042.5	1023	1030.2

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Apr-14	56	37	87	0
May-14	188	131	369	4

Spread	Apr-14	May-14
April-14	-23.60	
May-14		-40.20

**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	0.22	18020	18080	17930	17980
28-Jun-13	0.28	18260	18320	18160	18220
31-Jul-13	0.11	18530	18560	18420	18440
31-Oct-13	1.72	19110	19120	18800	18930

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	09-May-13	08-May-13	
Amravati-Vunni Mech-1#	4350	4525	-175
Mahesana-Kadi-Bt Cotton#	4750	4700	50
Abohar-J-34*	4010	4040	-30
Muktsar-J-34 *(Cotton )	4015	4030	-15
*(Kapas BT Cotton)	4550	4600	-50
Ahmedabad-Shankar-6#	4950	4950	Unch
Fajlika *(Cotton New)	4005	4005	Unch
*(Kapas BT Cotton)	-	-	-
Khandwa-(M.P)	Closed	-	-
Khargaon-(M.P)	Closed	-	-
Gondal	4880	4940	-60
Rajkot-(B.T)	4870	4900	-30
Sri-Ganganagar	-	3900	-
Patan(B.T. Cotton)	4920	5030	-50
Bhiwani- *(Cotton )	4020	3920	100
*(Kapas BT Cotton)	4650	4600	50

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	09-May-13	08-May-13	
Amravati -Vunni Mech-1#	6000	2000	4000
Mahesana-Kadi -Bt Cotton	125	100	25
Abohar-J-34*	50	50	Unch
Muktsar-J-34 *(Kapas BT Cotton)	-	-	-
Ahmedabad - Shankar-6#	10000	10000	Unch
Fajlika*(Kapas BT Cotton)	-	-	-

Khandwa (M.P)	Closed	-	-
Khargaon-(M.P)	Closed	-	-
Gondal	357	477	<b>-120</b>
Rajkot-(B.T)	2450	1430	<b>1020</b>
Sri-Ganganagar	-	428	-
Patan(B.T. Cotton)	1370	1368	<b>2</b>
Bhiwani #(Kapas BT Cotton)	200	200	<b>Unch</b>

**Cotton Association of India Spot Rates: 08/5/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (08/5/2013)	Rs. Per Candy (07/5/2013)	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	36100	36400	<b>-300</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36700	36700	<b>Unch</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	37500	37500	<b>Unch</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38900	39100	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40000	40000	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	<b>Unch</b>

**Cotlook Index: As on 08/5/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	94.60	<b>-0.20</b>

**China Cotton Index: As on 09/5/2013**

Index	RMB/Ton	Change
CCIndex(328)	19349	<b>-3</b>
CCIndex(527)	16989	<b>-1</b>
CCIndex(229)	20065	<b>-1</b>

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

**USDA Cotton Spot Rates: As on 08/5/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.68	88.93	<b>433</b>
North Delta	84.68	87.18	<b>NIL</b>
South Delta	84.68	87.18	<b>NIL</b>
East TX-OK	81.5	84.25	<b>96</b>
West Texas	81.5	84.5	<b>NIL</b>
Desert SW	80.18	86.68	<b>NIL</b>
SJ Valley	81.18	91.83	<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 08/5/2013**

Contract	Open	High	Low	Close	Change
13-May	84.95	86.2	84.95	86.2	0.19
13-Jul	86.98	88.11	85.39	87.68	0.53
13-Oct	86.12	87.16	86.12	87.16	0.77
13-Dec	85.7	87.16	84.36	86.77	0.8
14-Mar	85.85	86.92	84.3	86.72	0.95
14-May	85.89	86.59	85.71	86.59	1.08

**Pakistan Cotton Spot rates: As on 08/5/2013 (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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