

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Saturday.
- There is not much demand from the millers and the exporters in the market.
- Limited selling around current levels lend some support to the market.
- India shipped 2.50 lakh bales of cotton in Month of April 2013, while imports stood at 0.76 lakh bales. Total Exports in current season 2012-13 stood at 81.75 lakh bales while imports are at 8.65 lakh bales.
- Largest exported country of Indian raw cotton was Bangladesh at 1.49 lakh bales followed by China bought 0.98 lakh bales in the month of April 2013. Highest importer country to India was USA at 0.24 lakh bales.
- Export registration has reached to 89 lakh bales with shipment done for around 85 lakh bales for 2012-13.
- 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.

Cotton International Fundamentals

- According to USDA, India's cotton exports in 2012 -13 marketing year are higher than the initial estimates at 9.2 million metric tonnes and are lower by 34 per cent compared to previous year.
- Exports to China fell from 3.66 lakh bales to 0.98 lakh bales from previous month.
- U.S. cotton production is likely to decline by 19% to 14 million bales in 2013 -14 compared to previous year. Exports are estimated at 11.5 million bales during this period.
- Cotton plantation in US has reached to 17 percent which was 35 percent at this point of time last year.
- 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 steady to weak tone amid lack of demand from the millers and the exporters.

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	-1.0	1,031.5	1,037.0	1,028.0	1,034.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	8	0
Mar-14	0	0	1	0
Apr-14	762	40	1389	40

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-44.50

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	1.10	1015	1018.1	1013.5	1017.4
May-14	-0.80	1028.6	1035.2	1027	1034.1

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	27	-11	77	-2
May-14	33	-46	367	-1

Spread	Apr-14	May-14
April-14	-27.40	
May-14		-44.10

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
31-May-13	-0.72	18080	18100	18000	18020
28-Jun-13	-0.87	18310	18340	18240	18240
31-Jul-13	-0.75	18530	18540	18470	18490
31-Oct-13	-0.84	19100	19140	18960	18960

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	11-May-13	10-May-13	
Amravati-Vunni Mech-1#	4600	4550	50
Mahesana-Kadi-Bt Cotton#	4700	4750	-50
Abohar-J-34*	4000	4030	-30
Muktsar-J-34 *(Cotton)	4050	4040	10
*(Kapas BT Cotton)	4700	4700	Unch
Ahmedabad-Shankar-6#	4950	4975	-25
Fajlika *(Cotton New)	3990	4005	-15
*(Kapas BT Cotton)	No Arrival	No Arrival	No Arrival
Khandwa-(M.P)	-	No Arrival	-
Khargaon-(M.P)	-	No Arrival	-
Gondal	4905	4895	10
Rajkot-(B.T)	4880	4895	-15
Sri-Ganganagar	3920	No Arrival	-
Patan(B.T. Cotton)	-	4925	-
Bhiwani- *(Cotton)	4000	4000	Unch
*(Kapas BT Cotton)	4650	4625	25

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	11-May-13	10-May-13	
Amravati -Vunni Mech-1#	1500	6000	-4500
Mahesana-Kadi -Bt Cotton	125	125	Unch
Abohar-J-34*	100	50	15
Muktsar-J-34 *(Kapas BT Cotton)	No Arrival	No Arrival	No Arrival
Ahmedabad - Shankar-6#	10000	10000	Unch
Fajlika*(Kapas BT Cotton)	No Arrival	No Arrival	No Arrival
Khandwa (M.P)	-	No Arrival	-

Khargaon-(M.P)	-	No Arrival	-
Gondal	319	696	-377
Rajkot-(B.T)	880	890	-10
Sri-Ganganagar	No Arrival	No Arrival	No Arrival
Patan(B.T. Cotton)	-	800	-
Bhiwani #(Kapas BT Cotton)	200	150	50

Cotton Association of India Spot Rates: 10/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (10/5/2013)	Rs. Per Candy (09/5/2013)	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	36300	36100	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36700	36700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	37500	37500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38900	38900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40000	40000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 10/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	95.10	+0.10

China Cotton Index: As on 10/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19351	+2
CCIndex(527)	16989	Unch
CCIndex(229)	20067	+2

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

USDA Cotton Spot Rates: As on 10/5/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.48	87.73	NIL
North Delta	83.48	85.98	NIL
South Delta	83.48	85.98	NIL
East TX-OK	80.00	82.75	NIL
West Texas	80.00	83.00	1
Desert SW	78.98	85.48	NIL
SJ Valley	79.98	90.63	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 10/5/2013

Contract	Open	High	Low	Close	Change
13-May	87.71	87.88	85.45	86.48	-1.44
13-Jul	86.9	86.9	86.17	86.17	-1.27
13-Oct	86.81	86.97	84.7	85.82	-1.19
13-Dec	86.21	86.36	85.42	85.77	-1.19
14-Mar	85.97	85.97	85.62	85.62	-1.18
14-May	85.82	85.82	85.52	85.52	-1.19

Pakistan Cotton Spot rates: As on 10/5/2013 (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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