

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Monday.
- Lower arrivals in various mandis lent some support to the market.
- There is not much demand for yarn in the market.
- Lack of fresh export demand weighed on prices.
- 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.

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.
- Trading remained lack-luster in Pakistan following Assembly elections.

Outlook: We expect domestic cotton prices to notice sideways to weak tone amid lack of demand for yarn.

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

Contract	+/-	Open	High	Low	Close
Feb-14	5.0	995.0	995.0	995.0	995.0
Mar-14	0.0	0.0	0.0	0.0	0.0
Apr-14	-11.0	1,033.5	1,036.0	1,021.5	1023.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	-5	8	-5
Mar-14	0	0	1	0
Apr-14	1287	176	1565	176

Spread	Feb-14	Mar-14	Apr-14
Feb-14	5		
Mar-14		0	
Apr-14			-23.50

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	-10.30	1014	1015	1007.1	1007.1
May-14	-9.10	1032.5	1034.5	1021.5	1025

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	14	-13	75	-2
May-14	97	64	377	10

Spread	Apr-14	May-14
April-14	-7.10	
May-14		-25.00

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	-0.78	18020	18070	17870	17900
28-Jun-13	-0.49	18250	18300	18120	18170
31-Jul-13	-0.54	18500	18510	18350	18390
31-Oct-13	-0.42	19000	19030	18900	18910

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	13-May-13	11-May-13	
Amravati-Vunni Mech-1#	4550	4600	-50
Mahesana-Kadi-Bt Cotton#	4750	4700	50
Abohar-J-34*	4050	4000	50
Muktsar-J-34 *(Cotton)	4050	4050	Unch
*(Kapas BT Cotton)	4550	4700	-150
Ahmedabad-Shankar-6#	5000	4950	50
Fajlika *(Cotton New)	4025	3990	35
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	Closed	-	-
Khargaon-(M.P)	Closed	-	-
Gondal	4885	4905	-20
Rajkot-(B.T)	4895	4880	15
Sri-Ganganagar	3930	3920	10
Patan(B.T. Cotton)	NA	-	-
Bhiwani- *(Cotton)	4030	4000	30
*(Kapas BT Cotton)	4670	4650	20

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	13-May-13	11-May-13	
Amravati -Vunni Mech-1#	2500	1500	1000
Mahesana-Kadi -Bt Cotton	70	125	-55
Abohar-J-34*	200	100	100
Muktsar-J-34 *(Kapas BT Cotton)	No Arrival	No Arrival	-
Ahmedabad - Shankar-6#	10000	10000	Unch
Fajlika*(Kapas BT Cotton)	No Arrival	No Arrival	-

Khandwa (M.P)	Closed	-	-
Khargaon-(M.P)	Closed	-	-
Gondal	459	319	140
Rajkot-(B.T)	580	880	-300
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	NA	-	-
Bhiwani #(Kapas BT Cotton)	200	200	Unch

Cotton Association of India Spot Rates: 11/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (11/5/2013)	Rs. Per Candy (10/5/2013)	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	36300	
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36700	36700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	37700	37500	+200
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 13/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19351	Unch
CCIndex(527)	16989	Unch
CCIndex(229)	20069	+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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