

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Wednesday.
- Consumption of cotton by non-SSI mills was at 20.85 lakh bales in March 2013 and for SSI it was at 1.93 lakh bales. In both the cases the consumption have increased from last year in same period.0020
- Daily cotton arrivals have gone down to 50,000 per day.
- Yarn export is week amid low demand China, payments are affected in markets.
- CCI cotton auction received cold response from bidders; with 25,000 bales at auction only 1000 bales were bid at auction.
- Lower arrivals in various mandis lent some support to the market.

Cotton International Fundamentals

- USDA report forecasted 10 percent rise in global cotton inventory.
- USA cotton crop progress has reached 23 percent as on 12 May 2013. This is lower to five years average of 38 percent plantation due to shifting of farmers to other crops.
- 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.

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	0	0.0	0.0	0.0	0.0
Mar-14	0.0	0.0	0.0	0.0	0.0
Apr-14	1.0	1,023.0	1,026.5	1,020.0	1024.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	8	0
Mar-14	0	0	1	0
Apr-14	690	19	1543	19

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-24.00

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	5.40	1006	1010.9	1001.5	1010.90
May-14	2.40	1021.6	1030	1021.6	1026.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	0	0	70	-3
May-14	71	-17	370	-9

Spread	Apr-14	May-14
April-14	-10.90	
May-14		-26.90

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	-0.17	17940	18000	17860	17910
28-Jun-13	-0.16	18210	18260	18130	18170
31-Jul-13	-0.16	18490	18500	18380	18400
31-Oct-13	0	18990	19020	18900	18950

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	15-May-13	14-May-13	
Amravati-Vunni Mech-1#	4600	4550	50
Mahesana-Kadi-Bt Cotton#	4750	4650	100
Abohar-J-34*	4030	4035	-5
Muktsar-J-34 *(Cotton)	4030	4035	-5
*(Kapas BT Cotton)	4600	4600	Unch
Ahmedabad-Shankar-6#	5000	4950	50
Fajlika *(Cotton New)	-	4025	-
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	4935	4935	Unch
Rajkot-(B.T)	4885	4920	-35
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	4820	4985	-165
Bhiwani- *(Cotton)	3970	3970	Unch
*(Kapas BT Cotton)	4600	4600	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	15-May-13	14-May-13	
Amravati -Vunni Mech-1#	2000	1500	500
Mahesana-Kadi -Bt Cotton	50	50	Unch
Abohar-J-34*	100	80	20
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)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	571	308	263
Rajkot-(B.T)	1250	820	430
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	400	833	-433
Bhiwani #(Kapas BT Cotton)	No Arrival	200	-

Cotton Association of India Spot Rates: 14/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (14/5/2013)	Rs. Per Candy (13/5/2013)	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	36100	36300	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36500	36700	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	37500	37700	-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 14/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.25	-0.40

China Cotton Index: As on 15/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19351	-1
CCIndex(527)	16988	-1
CCIndex(229)	20069	-1

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

USDA Cotton Spot Rates: As on 14/5/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.92	88.17	1484
North Delta	83.92	86.42	NIL
South Delta	83.92	86.42	NIL

East TX-OK	80.25	83	NIL
West Texas	80.25	83.25	699
Desert SW	79.42	85.92	NIL
SJ Valley	80.42	91.07	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 14/5/2013

Contract	Open	High	Low	Close	Change
01-Jul	85.93	87.12	85.46	86.92	0.88
01-Oct	86.5	86.5	86.08	86.42	0.64
01-Dec	85.48	86.2	84.8	86.16	0.66
01-Mar	85.56	86.11	84.89	86.11	0.55
01-May	84.8	85.98	84.8	85.98	0.52
01-Jul	85.8	85.99	85.7	85.99	0.61

Pakistan Cotton Spot rates: As on 14/5/2013 (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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