

Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Saturday.
- Limited demand keeps cotton prices low.
- 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.

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	1,030.0	1,030.5	1,022.5	1029.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-4	6	-4
Mar-14	0	0	1	0
Apr-14	579	-5	1474	-5

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-39.00

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	-6.70	1011	1011	1005	1008.00
May-14	-3.10	1026	1031	1025	1028.2

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	11	-11	67	1
May-14	25	-14	364	0

Spread	Apr-14	May-14
April-14	-18.00	
May-14		-38.20

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	-0.33	17970	17970	17810	17880
28-Jun-13	-0.55	18220	18220	18050	18090
31-Jul-13	-0.6	18420	18420	18300	18320
31-Oct-13	-0.53	18940	18960	18890	18900

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	18-May-13	17-May-13	
Amravati-Vunni Mech-1#	4550	4550	Unch
Mahesana-Kadi-Bt Cotton#	4750	4750	Unch
Abohar-J-34*	4010	3990	+20
Muktsar-J-34 *(Cotton)	4000	3995	+5
*(Kapas BT Cotton)	4600	4600	Unch
Ahmedabad-Shankar-6#	4950	4950	Unch
Fajlika *(Cotton New)	3970	3970	Unch
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	4880	4880	Unch
Rajkot-(B.T)	4960	4910	+50
Sri-Ganganagar	Closed	3890	-
Patan(B.T. Cotton)	No Arrival	4600	-
Bhiwani- *(Cotton)	3910	3970	-60
*(Kapas BT Cotton)	4550	4600	-50

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	18-May-13	17-May-13	
Amravati -Vunni Mech-1#	2000	2000	Unch
Mahesana-Kadi -Bt Cotton	50	60	-50
Abohar-J-34*	100	100	Unch
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	310	402	-92
Rajkot-(B.T)	630	800	-170
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	No Arrival	85	Unch
Bhiwani #(Kapas BT Cotton)	No Arrival	No Arrival	-

Cotton Association of India Spot Rates: 17/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (17/5/2013)	Rs. Per Candy (16/5/2013)	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	35900	36000	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36500	36400	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	37500	37400	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39000	38900	+100
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 17/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.40	-0.10

China Cotton Index: As on 17/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19350	0
CCIndex(527)	16986	0
CCIndex(229)	20072	+1

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

USDA Cotton Spot Rates: As on 17/5/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.41	87.66	NIL
North Delta	83.41	85.91	NIL
South Delta	83.41	85.91	NIL

East TX-OK	79.50	82.25	112
West Texas	79.50	82.50	NIL
Desert SW	78.91	85.41	NIL
SJ Valley	80.16	90.81	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 17/5/2013

Contract	Open	High	Low	Close	Change
Jul-13	86.03	86.50	85.54	86.41	+0.38
Oct-13	85.95	86.20	85.95	86.20	+0.61
Dec-13	85.25	85.97	84.81	85.90	+0.57
Mar-14	85.00	85.73	84.94	85.67	+0.46
May-14	85.06	85.68	85.00	85.63	+0.39
Jul-14	85.20	85.91	85.16	85.85	+0.58

Pakistan Cotton Spot rates: As on 17/5/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6300	155	6455
Equivalent	40 Kgs	6752	155	6907

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