

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Tuesday.
- Active buyers and exporters have jumped out of the market.
- Low arrivals of 34,000-35,000 bales arrived across India. Arrivals are low due to extreme hot weather.
- 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 has increased from last year in same period.

Cotton International Fundamentals

- USDA report mentioned 19percent dip in the production in USA
- 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.

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	1.5	1,030.0	1,034.5	1,023.0	1030.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	6	0
Mar-14	0	0	1	0
Apr-14	672	0	1417	0

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-40.00

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	3.00	1012	1017	1005	1011
May-14	1.10	1032	1037	1025.7	1029.3

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	0	0	66	0
May-14	86	0	365	0

Spread	Apr-14	May-14
April-14	-21.00	
May-14		-39.30

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	0.45	17890	17930	17820	17930
28-Jun-13	0.55	18150	18200	18070	18180
31-Jul-13	0.44	18380	18390	18300	18390
31-Oct-13	0.26	18950	18950	18900	18950

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	21-May-13	20-May-13	
Amravati–Vunni Mech-1#	4600	4600	Unch
Mahesana-Kadi–Bt Cotton#	4700	4750	-50
Abohar–J-34*	4060	4040	20
Muktsar–J-34 *(Cotton)	4060	4030	30
*(Kapas BT Cotton)	4600	4600	Unch
Ahmedabad–Shankar-6#	-	4950	-
Fajlika *(Cotton New)	4010	4000	10
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	Closed	4900	-
Rajkot-(B.T)	5015	4970	45
Sri-Ganganagar	No Arrival	3890	-
Patan(B.T. Cotton)	No Arrival	No Arrival	-
Bhiwani– *(Cotton)	3970	3910	60
*(Kapas BT Cotton)	4600	4550	50

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	21-May-13	20-May-13	
Amravati –Vunni Mech-1#	2000	2500	-500
Mahesana-Kadi –Bt Cotton	50	40	10
Abohar–J-34*	75	100	-25
Muktsar–J-34 *(Kapas BT Cotton)	No Arrival	No Arrival	-
Ahmedabad – Shankar-6#	-	10000	-
Fajlika*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa (M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	Closed	550	-

Rajkot-(B.T)	1150	530	620
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	No Arrival	No Arrival	-
Bhiwani #(Kapas BT Cotton)	No Arrival	No Arrival	-

Cotton Association of India Spot Rates: 20/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (20/5/2013)	Rs. Per Candy (17/5/2013)	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	35900	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36700	36500	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	37500	37500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39000	39000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40200	40000	+200
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 20/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.90	+0.50

China Cotton Index: As on 21/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19353	+5
CCIndex(527)	16986	+3
CCIndex(229)	20075	+3

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

USDA Cotton Spot Rates: As on 20/5/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.28	87.53	1760
North Delta	83.28	85.78	NIL
South Delta	83.28	85.78	NIL
East TX-OK	79	81.75	233
West Texas	79	82	NIL
Desert SW	78.28	84.78	NIL
SJ Valley	79.53	90.18	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 20/5/2013

Contract	Open	High	Low	Close	Change
13-Jul	86.35	86.91	85.32	85.78	-0.63
13-Oct	85.93	86.5	85.5	85.5	-0.7
13-Dec	85.84	86.47	85.13	85.6	-0.3
14-Mar	86	86.07	85.14	85.3	-0.37
14-May	85.99	86	84.96	85.17	-0.46
14-Jul	86	86.24	85.17	85.17	-0.68

Pakistan Cotton Spot rates: As on 20/5/2013 (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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