

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Wednesday.
- Cotton plantation has been reported in 7.13 lakh hectares which was 7.22 lakh hectares same period last season. This year cotton acreage is likely to be less as farmers have not realized cost as per expectations and have shifted to other crops like maize and soybean.
- Limited demand keeps cotton prices low.
- 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.

Cotton International Fundamentals

- China garment industry made growth 12.2 percent higher than last year same period. China garment industry exported garments and accessories worth US\$35.31 billion dollars which is 19.4 percent higher than same period last year. This growing trend is likely to impact a continued demand of raw cotton from India.
- USDA raised Indian cotton exports to 92 lakh bales for 2012-13 from 72 lakh bales.
- China Imported around 25 lakh bales in the month of April, 2013 which is a decline from previous month of March in which 31 lakh bales was procured.

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	2.0	1,030.5	1,038.0	1,028.0	1035.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	6	0
Mar-14	0	0	1	0
Apr-14	882	103	1520	103

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-45.00

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	3.50	1011.5	1018	1011.5	1016
May-14	5.00	1027	1038.1	1027	1037

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	-1	1	66	0
May-14	40	-46	360	-5

Spread	Apr-14	May-14
April-14	-26.00	
May-14		-47.00

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	0.56	17840	18070	17760	18060
28-Jun-13	0.55	18120	18340	18010	18330
31-Jul-13	0.54	18280	18560	18240	18560
31-Oct-13	0.21	18860	19040	18860	19020

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	22-May-13	21-May-13	
Amravati–Vunni Mech-1#	4600	4600	Unch
Mahesana-Kadi–Bt Cotton#	4700	4700	Unch
Abohar–J-34*	4070	4060	10
Muktsar–J-34 *(Cotton)	4070	4060	10
*(Kapas BT Cotton)	No Arrival	4600	-
Ahmedabad–Shankar-6#	-	-	-
Fajlika *(Cotton New)	4035	4010	25
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	4905	Closed	-
Rajkot-(B.T)	4995	5015	-20
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	4580	No Arrival	-
Bhiwani– *(Cotton)	3920	3970	-50
*(Kapas BT Cotton)	4550	4600	-50

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	22-May-13	21-May-13	
Amravati –Vunni Mech-1#	1500	2000	-500
Mahesana-Kadi –Bt Cotton	20	50	-30
Abohar–J-34*	60	75	-15
Muktsar–J-34 *(Kapas BT Cotton)	No Arrival	No Arrival	-
Ahmedabad – Shankar-6#	-	-	-
Fajlika*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa (M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	553	Closed	-

Rajkot-(B.T)	1200	1150	50
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	650	No Arrival	-
Bhiwani #(Kapas BT Cotton)	No Arrival	No Arrival	-

Cotton Association of India Spot Rates: 21/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (21/5/2013)	Rs. Per Candy (20/5/2013)	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	34700	34600	+100
J-34(202)	26mm	3.5 - 4.9	23	36400	36100	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36800	36700	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	37700	37500	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39200	39000	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40300	40200	+100
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 21/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.40	-0.50

China Cotton Index: As on 22/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19353	Unch
CCIndex(527)	16985	-1
CCIndex(229)	20076	+1

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

USDA Cotton Spot Rates: As on 21/5/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.36	85.61	NIL
North Delta	81.36	83.86	NIL
South Delta	81.36	83.86	NIL
East TX-OK	77	79.75	66
West Texas	77	80	121
Desert SW	76.36	82.86	NIL
SJ Valley	77.61	88.26	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 21/5/2013

Contract	Open	High	Low	Close	Change
13-Jul	85.58	85.75	83.82	83.86	-1.92
13-Oct	84.05	84.05	83.96	83.96	-1.54
13-Dec	85.5	85.59	84.06	84.15	-1.45
14-Mar	85	85.15	83.94	83.98	-1.32
14-May	83.95	84.08	83.95	84.08	-1.09
14-Jul	84.9	84.94	84.05	84.32	-0.85

Pakistan Cotton Spot rates: As on 21/5/2013 (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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