

## Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Thursday except Rajkot.
- Cotton plantation is on progress in North India, more could be planted if monsoon showers start in another 15 days, if not, seeds put to germinate over covered area are likely to get damaged and plantation in further areas would be impacted. For now the heat waves condition is reported across northern India.
- 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.

## Cotton International Fundamentals

- Cotton has been planted in 39 percent of the total planted area in USA which was 59 percent in same time last year.
- 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. USA was top exporter followed by India and Uzbekistan.

**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	1,036.0	1,037.5	1,032.5	1,035.0

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	6	0
Mar-14	0	0	1	0
Apr-14	584	-26	1494	-26

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	-0.60	1023.7	1023.7	1014	1014
May-14	-0.70	1038.5	1038.8	1033.6	1036

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	-11	11	64	-2
May-14	42	2	354	-6

Spread	Apr-14	May-14
April-14	-24.00	
May-14		-46.00

**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	0.33	18030	18110	17990	18100
28-Jun-13	0.38	18320	18390	18250	18380
31-Jul-13	0.27	18560	18620	18500	18590
31-Oct-13	-0.05	19010	19070	18990	19010

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	23-May-13	22-May-13	
Amravati–Vunni Mech-1#	4600	4600	Unch
Mahesana-Kadi–Bt Cotton#	4750	4700	50
Abohar–J-34*	4090	4070	20
Muktsar–J-34 *(Cotton )	4080	4070	10
*(Kapas BT Cotton)	4600	No Arrival	-
Ahmedabad–Shankar-6#	-	-	-
Fajlika *(Cotton New)	4070	4035	35
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	4910	4905	5
Rajkot-(B.T)	4950	4995	-45
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	No Arrival	4580	-
Bhiwani– *(Cotton )	3920	3920	Unch
*(Kapas BT Cotton)	4550	4550	Unch

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	23-May-13	22-May-13	
Amravati –Vunni Mech-1#	1200	1500	-300
Mahesana-Kadi –Bt Cotton	25	20	5
Abohar–J-34*	60	60	Unch
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	921	553	<b>368</b>
Rajkot-(B.T)	1210	1200	<b>10</b>
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	No Arrival	650	-
Bhiwani #(Kapas BT Cotton)	No Arrival	No Arrival	-

**Cotton Association of India Spot Rates: 22/5/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (22/5/2013)	Rs. Per Candy (21/5/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34200	33700	<b>+500</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35200	34700	<b>+500</b>
J-34(202)	26mm	3.5 - 4.9	23	36300	36400	<b>-100</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36900	36800	<b>+100</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	37800	37700	<b>+100</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39300	39200	<b>+100</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40400	40300	<b>+100</b>
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	<b>Unch</b>

**Cotlook Index: As on 22/5/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	91.90	<b>-1.50</b>

**China Cotton Index: As on 23/5/2013**

Index	RMB/Ton	Change
CCIndex(328)	19352	<b>-1</b>
CCIndex(527)	16983	<b>-2</b>
CCIndex(229)	20075	<b>-1</b>

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

**USDA Cotton Spot Rates: As on 22/5/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.92	85.17	<b>NIL</b>
North Delta	80.92	83.42	<b>NIL</b>
South Delta	80.92	83.42	<b>NIL</b>
East TX-OK	76.75	79.5	<b>NIL</b>
West Texas	76.75	79.75	<b>NIL</b>
Desert SW	75.92	82.42	<b>NIL</b>
SJ Valley	77.17	87.82	<b>NIL</b>

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 22/5/2013**

Contract	Open	High	Low	Close	Change
13-Jul	84.04	84.82	83.32	83.42	-0.44
13-Oct	84.15	84.15	84.15	84.15	0.19
13-Dec	84.39	85.37	84.11	84.39	0.24
14-Mar	84.39	84.88	84.09	84.09	0.11
14-May	84.4	84.84	84.13	84.13	0.05
14-Jul	84.55	84.95	84.35	84.35	0.03

**Pakistan Cotton Spot rates: As on 22/5/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6400	155	6555
Equivalent	40 Kgs	6859	155	7014

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