

Cotton Domestic Fundamentals:

- Cotton prices noticed weak tone on Friday except Mahesana market.
- Cotton stock of around only 4000 quintals is remaining in Bhiwani Mandi, which is a week's stock.
- 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	-1.0	999.0	999.0	999.0	999.0
Mar-14	0.0	1,023.0	1,023.0	1,023.0	1023.00
Apr-14	-3.5	1,032.0	1,036.0	1,030.0	1031.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	0	6	0
Mar-14	1	0	1	0
Apr-14	379	-30	1464	-30

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-9.0		
Mar-14		-33.0	
Apr-14			-41.50

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	-1.90	1025	1025	1015	1016.5
May-14	-4.20	1037	1037	1031.5	1031.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	16	-16	64	0
May-14	10	-32	353	-1

Spread	Apr-14	May-14
April-14	-26.50	
May-14		-41.50

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	-0.77	17960	18060	17950	17960
28-Jun-13	-0.6	18250	18350	18240	18270
31-Jul-13	-0.54	18480	18580	18480	18490
31-Oct-13	-0.68	18950	18960	18870	18880

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	24-May-13	23-May-13	
Amravati–Vunni Mech-1#	4600	4600	Unch
Mahesana-Kadi–Bt Cotton#	4700	4750	-50
Abohar–J-34*	4130	4090	40
Muktsar–J-34 *(Cotton)	4125	4080	45
*(Kapas BT Cotton)	No Arrival	4600	-
Ahmedabad–Shankar-6#	-	-	-
Fajlika *(Cotton New)	4090	4070	20
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	4925	4910	15
Rajkot-(B.T)	4950	4950	Unch
Sri-Ganganagar	No Arrival	No Arrival	-
Patan(B.T. Cotton)	No Arrival	No Arrival	-
Bhiwani– *(Cotton)	3920	3920	Unch
*(Kapas BT Cotton)	4600	4550	50

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	24-May-13	23-May-13	
Amravati –Vunni Mech-1#	1000	1200	-200
Mahesana-Kadi –Bt Cotton	25	25	Unch
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	709	921	-212
Rajkot-(B.T)	1620	1210	410
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: 23/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (23/5/2013)	Rs. Per Candy (22/5/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34600	34200	+400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35600	35200	+400
J-34(202)	26mm	3.5 - 4.9	23	36700	36300	+400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37000	36900	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	37900	37800	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39400	39300	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40500	40400	+100
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 23/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	91.50	-0.40

China Cotton Index: As on 24/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19350	-2
CCIndex(527)	16981	-2
CCIndex(229)	20075	Unch

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

USDA Cotton Spot Rates: As on 23/5/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	80.28	83.53	NIL
North Delta	79.28	81.78	NIL
South Delta	79.28	81.78	NIL
East TX-OK	76	78.75	264
West Texas	76	79	1755
Desert SW	74.28	80.78	NIL
SJ Valley	75.53	86.18	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 23/5/2013

Contract	Open	High	Low	Close	Change
13-Jul	83.42	83.88	81.52	81.78	-1.64
13-Oct	83.21	83.21	83.21	83.21	-0.94
13-Dec	84.63	84.88	83.34	83.64	-0.75
14-Mar	84.38	84.38	83.08	83.35	-0.74
14-May	83.39	83.39	83.39	83.39	-0.74
14-Jul	83.64	83.64	83.64	83.64	-0.71

Pakistan Cotton Spot rates: As on 23/5/2013 (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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