

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Monday.
- Cotton plantation reached 9.35 lakh hectares in Northern India which was 9.13 lakh hectares in same period last year. Cotton plantation has paced up in parts of Punjab, Haryana and Rajasthan. However, fiber crop is facing stiff competition from guar seed as it gives higher returns.
- Fiber crop plantation in Punjab has reached 5.34 lakh hectares which was 3.91 lakh hectares last year in same period while in Haryana the 3 lakh hectares which is 3.22 lakh hectares for current season. In Rajasthan, plantation has reached 1 lakh hectares as compared to 2 lakh hectares last year in same time period.
- Good demand from the millers amid expectation of higher yarn export lent support to prices.
- Lower stocks in the ready market added to the positive tone of the market.

Cotton International Fundamentals

- Demand of cotton in US is likely to decline by 10 percent from 16.7 million bales to 15 million bales due to lower export demand from China.
- Cotton has been planted in 39 percent of the total planted area in USA which was 59 percent in same time last year.
- Cotton futures at NYMEX closed lower amid sluggish demand in the global market.

Outlook: We expect domestic cotton prices to notice sideways to firm tone amid expectation of good demand.

NCDEX Kapas Futures Closed: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-14	-5.0	1,003.0	1,003.0	995.0	995.0
Mar-14	-	-	-	-	-
Apr-14	0.00	1,032.5	1,034.5	1,029.0	1032.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	8	4	10	4
Mar-14	0	0	1	0
Apr-14	679	50	1514	50

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-5.00		
Mar-14		-	
Apr-14			-42.00

MCX Kapas Futures Closed: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Apr-14	-3.30	1015	1019.5	1014	1015
May-14	-0.80	1030	1036	1026.5	1033.2

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	-12	12	65	1
May-14	88	78	369	16

Spread	Apr-14	May-14
April-14	-25.00	
May-14		-43.20

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

MCX Cotton Futures Closed (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
31-May-13	0.45	17970	18050	17960	18050
28-Jun-13	0.6	18270	18370	18260	18370
31-Jul-13	0.38	18510	18570	18510	18570
31-Oct-13	0.32	18930	18950	18910	18950

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	-	-	
Amravati–Vunni Mech-1#	-	4750	-
Mahesana-Kadi–Bt Cotton#	4100	4145	-45
Abohar–J-34*	4100	4130	-30
Muktsar–J-34 *(Cotton)	4600	4600	-
*(Kapas BT Cotton)	-	-	-
Ahmedabad–Shankar-6#	-	-	-
Fajlika *(Cotton New)	-	-	-
*(Kapas BT Cotton)	-	-	-
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	4995	4915	+80
Gondal	4940	4925	+15
Rajkot-(B.T)	-	-	-
Sri-Ganganagar	-	-	-
Patan (B.T. Cotton)	4070	4020	+50
Bhiwani– *(Cotton)	4800	4600	+200
*(Kapas BT Cotton)	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	27-May-13	25-May-13	
Amravati –Vunni Mech-1#	-	-	-
Mahesana-Kadi –Bt Cotton	-	15	-
Abohar–J-34*	200	100	+100
Muktsar–J-34 *(Kapas BT Cotton)	-	-	-
Ahmedabad – Shankar-6#	-	-	-
Fajlika*(Kapas BT Cotton)	-	-	-
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-

Gondal	412	741	-302
Rajkot-(B.T)	1700	1230	+470
Sri-Ganganagar	-	-	-
Patan(B.T. Cotton)	-	-	-
Bhiwani #(Kapas BT Cotton)	-	-	-

Cotton Association of India Spot Rates: 25/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (25/5/2013)	Rs. Per Candy (24/5/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35600	35600	Unch
J-34(202)	26mm	3.5 - 4.9	23	37100	37000	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37100	37200	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	38000	38100	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39500	39600	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40600	40700	-100
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 24/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.10	-1.40

China Cotton Index: As on 27/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19348	-2
CCIndex(527)	16981	Unch
CCIndex(229)	20075	Unch

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

USDA Cotton Spot Rates: As on 24/5/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.99	83.24	NIL
North Delta	78.99	81.49	NIL
South Delta	78.99	81.49	NIL
East TX-OK	76.00	78.75	NIL
West Texas	76.00	79.00	NIL
Desert SW	73.99	80.49	NIL
SJ Valley	75.24	85.89	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 24/5/2013

Contract	Open	High	Low	Close	Change
13-Jul	81.78	82.38	81.03	81.49	-0.29
13-Oct	82.96	83.3	82.96	83.3	0.09
13-Dec	83.65	83.99	83.02	83.77	0.13
14-Mar	83.00	83.58	82.66	83.58	0.23
14-May	83.00	83.89	82.66	83.89	0.50
14-Jul	83.57	84.18	82.7	84.18	0.54

Pakistan Cotton Spot rates: As on 25/5/2013 (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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