

## Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Tuesday.
- Major plantation activity will begin by onset of monsoon. It is likely to hit major parts of cotton growing area by mid-June. Yarn demand has picked up however prices are not likely to show steep rise in prices as government is selling stocks. Cotton Corp of India (CCI) offered 38,100 bales through e-auction on Monday in which 6000 bales have been sold.
- 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.

## Cotton International Fundamentals

- US weekly export data on cotton showed 1.01 lakh bales export in 2012-13. Most of its was to China.
- 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.

**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	-3.0	996.0	996.0	996.0	996.0
Mar-14	0.0	0.0	0.0	0.0	0.0
Apr-14	11.5	1,033.5	1,049.0	1,033.0	1043.50

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	-4	6	-4
Mar-14	0	0	1	0
Apr-14	2274	616	2130	616

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-6.0		
Mar-14		0	
Apr-14			-53.50

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

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

Contract	+/-	Open	High	Low	Close
Apr-14	8.20	1025	1030	1022.5	1024.5
May-14	8.00	1036.7	1048	1035.9	1042.60

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	6	-6	65	0
May-14	219	131	418	49

Spread	Apr-14	May-14
April-14	-34.50	
May-14		-52.60

**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	0.94	18070	18200	18060	18190
28-Jun-13	0.87	18370	18490	18350	18480
31-Jul-13	0.86	18590	18710	18580	18700
31-Oct-13	0.58	18970	19050	18950	19040

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	28-May-13	27-May-13	
Amravati-Vunni Mech-1#	-	-	-
Mahesana-Kadi-Bt Cotton#	-	-	-
Abohar-J-34*	4100	4100	Unch
Muktsar-J-34 *(Cotton )	4100	4100	Unch
*(Kapas BT Cotton)	4700	4600	100
Ahmedabad-Shankar-6#	-	-	-
Fajlika *(Cotton New)	-	-	-
*(Kapas BT Cotton)	-	-	-
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	4950	4995	-45
Rajkot-(B.T)	4930	4940	-10
Sri-Ganganagar	-	-	-
Patan(B.T. Cotton)	4740	-	-
Bhiwani- *(Cotton )	3970	4070	-100
*(Kapas BT Cotton)	4700	4800	-100

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	28-May-13	27-May-13	
Amravati -Vunni Mech-1#	-	1800	-
Mahesana-Kadi -Bt Cotton	-	-	-
Abohar-J-34*	75	200	-125
Muktsar-J-34 *(Kapas BT Cotton)	-	-	-
Ahmedabad - Shankar-6#	-	-	-
Fajlika*(Kapas BT Cotton)	-	-	-
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	375	412	-37

Rajkot-(B.T)	1180	1700	<b>-520</b>
Sri-Ganganagar	-	-	-
Patan(B.T. Cotton)	950	-	-
Bhiwani #(Kapas BT Cotton)	-	-	-

**Cotton Association of India Spot Rates: 27/5/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (27/5/2013)	Rs. Per Candy (25/5/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35000	34600	<b>+400</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35900	35600	<b>+300</b>
J-34(202)	26mm	3.5 - 4.9	23	36800	37100	<b>-300</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37100	37100	<b>Unch</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	38000	38000	<b>Unch</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39500	39500	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40600	40600	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	<b>Unch</b>

**Cotlook Index: As on 24/5/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	90.10	<b>-1.40</b>

**China Cotton Index: As on 28/5/2013**

Index	RMB/Ton	Change
CCIndex(328)	19345	<b>-3</b>
CCIndex(527)	16979	<b>-2</b>
CCIndex(229)	20075	<b>Unch</b>

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	<b>NIL</b>
North Delta	78.99	81.49	<b>NIL</b>
South Delta	78.99	81.49	<b>NIL</b>
East TX-OK	76.00	78.75	<b>NIL</b>
West Texas	76.00	79.00	<b>NIL</b>
Desert SW	73.99	80.49	<b>NIL</b>
SJ Valley	75.24	85.89	<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 24/5/2013**

Contract	Open	High	Low	Close	Change
01-Jul	81.78	82.38	81.03	81.49	-0.29
01-Oct	82.96	83.3	82.96	83.3	0.09
01-Dec	83.65	83.99	83.02	83.77	0.13
01-Mar	83	83.58	82.66	83.58	0.23
01-May	83	83.89	82.66	83.89	0.5
01-Jul	83.57	84.18	82.7	84.18	0.54

**Pakistan Cotton Spot rates: As on 27/5/2013 (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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