

## Cotton Domestic Fundamentals:

- Cotton prices are almost steady across markets as most markets have not reported arrivals as on Thursday.
- Cotton acreage is pegged to drop by 5 percent this year as farmers are shifting to more lucrative crop of guar, after its ban was lifted on Forward markets.
- 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.

## Cotton International Fundamentals

- Planting across cotton growing region Mississippi, Oklahoma, Tennessee and Kansas, further delayed while major cotton growing state of Texas has picked up plantation to 49 percent.
- 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.

**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	0.0	0.0	0.0	0.0	0.0
Mar-14	0.0	0.0	0.0	0.0	0.0
Apr-14	19.0	1,052.0	1,072.0	1,048.0	1072

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-6	0	-6
Mar-14	0	0	1	0
Apr-14	2309	68	2487	68

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-82

**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					
May-14					

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14				
May-14				

Spread	Apr-14	May-14
April-14		
May-14		

**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	-				
28-Jun-13	-				
31-Jul-13	-				
31-Oct-13	-				

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-May-13	29-May-13	
Amravati-Vunni Mech-1#	-	4650	-
Mahesana-Kadi-Bt Cotton#	-	-	-
Abohar-J-34*	4141	4135	6
Muktsar-J-34 *(Cotton )	4125	4130	-5
*(Kapas BT Cotton)	-	-	-
Ahmedabad-Shankar-6#	-	-	-
Fajlika *(Cotton New)	4080	4090	-
*(Kapas BT Cotton)	-	-	-
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	4950	4950	Unch
Rajkot-(B.T)	4950	4950	Unch
Sri-Ganganagar	-	-	-
Patan(B.T. Cotton)	-	4575	-
Bhiwani- *(Cotton )	4020	3980	40
*(Kapas BT Cotton)	4750	4625	125

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-May-13	29-May-13	
Amravati -Vunni Mech-1#	-	1000	-
Mahesana-Kadi -Bt Cotton	-	-	-
Abohar-J-34*	70	70	Unch
Muktsar-J-34 *(Kapas BT Cotton)	-	-	-
Ahmedabad - Shankar-6#	-	-	-
Fajlika*(Kapas BT Cotton)	-	-	-
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-

Gondal	556	532	24
Rajkot-(B.T)	800	585	215
Sri-Ganganagar	-	-	-
Patan(B.T. Cotton)	-	475	-
Bhiwani #(Kapas BT Cotton)	-	-	-

**Cotton Association of India Spot Rates: 29/5/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (29/5/2013)	Rs. Per Candy (28/5/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35000	35000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35900	35900	Unch
J-34(202)	26mm	3.5 - 4.9	23	36900	36800	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37600	37300	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	38300	38100	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39600	39600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40600	40600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

**Cotlook Index: As on 29/5/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	90.10	Unch

**China Cotton Index: As on 30/5/2013**

Index	RMB/Ton	Change
CCIndex(328)	19338	-2
CCIndex(527)	16975	-1
CCIndex(229)	20073	-1

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

**USDA Cotton Spot Rates: As on 29/5/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.20	82.45	NIL
North Delta	78.45	80.95	3608
South Delta	78.45	80.95	NIL
East TX-OK	75.25	78.00	NIL
West Texas	75.25	78.25	NIL
Desert SW	73.20	79.70	NIL
SJ Valley	74.45	85.10	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 29/5/2013**

Contract	Open	High	Low	Close	Change
01-Jul	81.62	81.71	80.61	80.7	-0.72
01-Oct	83.45	83.45	83.1	83.13	-0.47
01-Dec	84.19	84.27	83.29	83.38	-0.56
01-Mar	84.28	84.34	83.72	83.83	-0.31
01-May	84.76	84.79	84.29	84.56	-0.14
01-Jul	85.2	85.37	84.89	85.36	0.1

**Pakistan Cotton Spot rates: As on 29/5/2013 (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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