

Cotton Domestic Fundamentals:

- Cotton prices are almost firm across markets due to export demand as on Friday.
- 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	44.0	1,040.0	1,040.0	1,040.0	1,040.0
Mar-14	50.0	1,047.0	1,060.0	1,047.0	1060.00
Apr-14	27.0	1,070.0	1,103.5	1,070.0	1097.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	-2	4	-2
Mar-14	3	2	3	2
Apr-14	4714	476	2895	476

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-50.0		
Mar-14		-70.0	
Apr-14			-107.00

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	24.50	1055	1066	1051	1065
May-14	25.10	1066.5	1095	1066.5	1089.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	-65	65	81	16
May-14	289	191	555	82

Spread	Apr-14	May-14
April-14	-75.00	
May-14		-99.90

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	-0.05	18400	18480	18320	18320
28-Jun-13	0.21	18550	18770	18550	18650
31-Jul-13	0.21	18840	18970	18840	18870
31-Oct-13	-0.05	18400	18480	18320	18320

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	31-May-13	30-May-13	
Amravati-Vunni Mech-1#	-	-	-
Mahesana-Kadi-Bt Cotton#	No Arrival	No Arrival	-
Abohar-J-34*	4170	4141	29
Muktsar-J-34 *(Cotton)	4200	4125	75
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Ahmedabad-Shankar-6#	-	-	-
Fajlika *(Cotton New)	4100	4080	20
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	4960	4950	10
Rajkot-(B.T)	4990	4950	40
Sri-Ganganagar	4050	No Arrival	-
Patan(B.T. Cotton)	No Arrival	No Arrival	-
Bhiwani- *(Cotton)	4040	4020	20
*(Kapas BT Cotton)	4800	4750	50

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	31-May-13	30-May-13	
Amravati -Vunni Mech-1#	-	-	-
Mahesana-Kadi -Bt Cotton	No Arrival	No Arrival	-
Abohar-J-34*	70	70	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	545	556	-11

Rajkot-(B.T)	850	800	50
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: 30/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (30/5/2013)	Rs. Per Candy (29/5/2013)	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	37100	36900	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37800	37600	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	38500	38300	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39700	39600	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40700	40600	+100
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 30/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.60	-0.50

China Cotton Index: As on 31/5/2013

Index	RMB/Ton	Change
CCIndex(328)	19336	-2
CCIndex(527)	16972	-3
CCIndex(229)	20073	Unch

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

USDA Cotton Spot Rates: As on 30/5/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	78.63	81.88	NIL
North Delta	77.88	80.38	NIL
South Delta	77.88	80.38	NIL
East TX-OK	74.75	77.5	122
West Texas	74.75	77.75	915
Desert SW	72.63	79.13	NIL
SJ Valley	73.88	84.53	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 30/5/2013

Contract	Open	High	Low	Close	Change
01-Jul	80.85	81.75	79.87	80.13	-0.57
01-Oct	83.3	83.3	82.4	82.6	-0.53
01-Dec	83.42	84	82.6	82.83	-0.55
01-Mar	84.04	84.05	82.89	83.25	-0.58
01-May	84.68	84.74	83.51	83.84	-0.72
01-Jul	85.36	85.44	84.16	84.53	-0.83

Pakistan Cotton Spot rates: As on 30/5/2013 (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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