

## Cotton Domestic Fundamentals:

- Cotton prices noticed firm tone on Saturday.
- Spinning mills are in market driving demand.
- Cotton plantation reached 11.86 lakh hectares in Northern India.
- 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 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, in which most of export 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	-12.5	1,095.0	1,098.0	1,085.5	1,087.5

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-1	3	-1
Mar-14	0	0	3	0
Apr-14	2057	166	3061	166

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-97.00

**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	-8.70	1069.9	1069.9	1050	1052.10
May-14	-7.20	1083.3	1089	1078	1083.9

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	69	-69	78	-3
May-14	51	-238	563	8

Spread	Apr-14	May-14
April-14	-62.10	
May-14		-93.90

**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	-0.53	18670	18670	18590	18600
28-Jun-13	-0.37	18790	18970	18790	18840
31-Jul-13	-0.58	18430	18950	18430	18880
31-Oct-13	-1.68	18800	18820	18730	18730

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	1-June-13	31-May-13	
Amravati-Vunni Mech-1#	4700	-	-
Mahesana-Kadi-Bt Cotton#	No Arrival	No Arrival	-
Abohar-J-34*	4170	4170	Unch
Muktsar-J-34 *(Cotton )	4170	4200	-30
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Ahmedabad-Shankar-6#	5500	-	-
Fajlika *(Cotton New)	-	4100	-
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	5000	4960	+40
Rajkot-(B.T)	4980	4990	-10
Sri-Ganganagar	No Arrival	4050	-
Patan(B.T. Cotton)	No Arrival	No Arrival	-
Bhiwani- *(Cotton )	4070	4040	+30
*(Kapas BT Cotton)	4850	4800	+50

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	1-June-13	31-May-13	
Amravati -Vunni Mech-1#	1500	-	-
Mahesana-Kadi -Bt Cotton	No Arrival	No Arrival	-
Abohar-J-34*	30	70	-40
Muktsar-J-34 *(Kapas BT Cotton)	No Arrival	No Arrival	-
Ahmedabad - Shankar-6#	10000	-	-
Fajlika*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa (M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-

Gondal	371	545	<b>-174</b>
Rajkot-(B.T)	830	850	<b>-20</b>
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: 31/5/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (31/5/2013)	Rs. Per Candy (30/5/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35300	35000	<b>+300</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36200	35900	<b>+300</b>
J-34(202)	26mm	3.5 - 4.9	23	37400	37100	<b>+300</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37900	37800	<b>+100</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	38600	38500	<b>+100</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39700	39700	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40700	40700	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	<b>Unch</b>

**Cotlook Index: As on 31/5/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	89.40	<b>-0.20</b>

**China Cotton Index: As on 31/5/2013**

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

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

**USDA Cotton Spot Rates: As on 31/5/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	77.86	81.11	<b>726</b>
North Delta	77.11	79.61	<b>192</b>
South Delta	77.11	79.61	<b>175</b>
East TX-OK	74.00	76.75	<b>419</b>
West Texas	74.00	77.00	<b>812</b>
Desert SW	71.86	78.36	<b>0</b>
SJ Valley	73.11	83.76	<b>0</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 31/5/2013**

Contract	Open	High	Low	Close	Change
13-Jul	80.13	80.56	79.3	79.36	-0.77
13-Oct	82.42	82.8	81.83	81.89	-0.71
13-Dec	82.83	83.14	82	82.06	-0.77
14-Mar	82.79	82.82	82.07	82.38	-0.87
14-May	82.78	83.03	82.78	83.03	-0.81
14-Jul	83.71	83.71	83.71	83.71	-0.82

**Pakistan Cotton Spot rates: As on 31/5/2013 (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

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2013 Indian Agribusiness Systems Pvt Ltd.