

Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Monday except Ahmadabad.
- Exports of Cotton Yarn are projected to raise, 1150 million kg in current fiscal.
- 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
Mar-14	0.0	1,066.0	1,066.0	1,066.0	1066.00
Apr-14	7.5	1,085.5	1,097.0	1,080.0	1097.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	3	0
Mar-14	2	0	3	0
Apr-14	2755	317	3378	317

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		-56.0	
Apr-14			-87.00

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	4.70	1042.9	1056.8	1042.6	1056.8
May-14	5.10	1076	1089	1072	1089

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	-2	2	78	0
May-14	152	101	574	11

Spread	Apr-14	May-14
April-14	-46.80	
May-14		-79.00

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
28-Jun-13	0.79	18940	19050	18850	19050
31-Jul-13	1.22	18790	19090	18770	19070
31-Oct-13	1.24	18560	18850	18530	18830

Cotton Prices at Key Spot Markets

Centre	Prices (Rs/Qtl)		Change
	03-June-13	01-June-13	
Amravati-Vunni Mech-1#	4700	4700	Unch
Mahesana-Kadi-Bt Cotton#	No Arrival	No Arrival	-
Abohar-J-34*	4100	4170	-70
Muktsar-J-34 *(Cotton)	4120	4170	-50
*(Kapas BT Cotton)	4600	No Arrival	-
Ahmedabad-Shankar-6#	5050	5000	50
Fajlika *(Cotton New)	4080	-	-
*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa-(M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	5000	5000	Unch
Rajkot-(B.T)	4975	4980	-5
Sri-Ganganagar	3990	No Arrival	-
Patan(B.T. Cotton)	No Arrival	No Arrival	-
Bhiwani- *(Cotton)	No Arrival	4070	-
*(Kapas BT Cotton)	No Arrival	4850	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	03-June-13	01-June-13	
Amravati -Vunni Mech-1#	1500	1500	Unch
Mahesana-Kadi -Bt Cotton	No Arrival	No Arrival	-
Abohar-J-34*	70	30	40
Muktsar-J-34 *(Kapas BT Cotton)	No Arrival	No Arrival	-
Ahmedabad - Shankar-6#	10000	10000	Unch
Fajlika*(Kapas BT Cotton)	No Arrival	No Arrival	-
Khandwa (M.P)	No Arrival	No Arrival	-
Khargaon-(M.P)	No Arrival	No Arrival	-
Gondal	521	371	150
Rajkot-(B.T)	800	830	-30
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: 01/5/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (01/6/2013)	Rs. Per Candy (31/5/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35600	35300	+300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36500	36200	+300
J-34(202)	26mm	3.5 - 4.9	23	37100	37400	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37900	37900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38500	38600	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39600	39700	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40600	40700	-100
DCH-32(107)	34mm	3.0 - 3.8	33	38500	48500	Unch

Cotlook Index: As on 31/5/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.40	-0.20

China Cotton Index: As on 03/6/2013

Index	RMB/Ton	Change
CCIndex(328)	19335	-1
CCIndex(527)	16970	-2
CCIndex(229)	20073	Unch

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	726
North Delta	77.11	79.61	192
South Delta	77.11	79.61	175
East TX-OK	74.00	76.75	419
West Texas	74.00	77.00	812
Desert SW	71.86	78.36	0
SJ Valley	73.11	83.76	0

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 01/6/2013 (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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