

**Cotton Domestic Fundamentals:**

- Cotton prices noticed firm tone on Tuesday.
- 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	1,067.0	1,067.0	1,067.0	1067.00
Apr-14	-10.0	1,100.0	1,105.0	1,083.5	1085.50

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

Contract	+/-	Open	High	Low	Close
Apr-14	4.00	1069.9	1069.9	1050	1050
May-14	-9.80	1089.8	1096	1075.2	1076.50

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-14	0	0	3	0
Mar-14	1	-1	2	-1
Apr-14	3623	-272	3106	-272

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Apr-14	0	0	76	-2
May-14	160	8	574	0

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		-57.0	
Apr-14			-75.50

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

Spread	Apr-14	May-14
April-14	-40.00	
May-14		-66.50

**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	0.64	18850	18990	18750	18890
31-Jul-13	0.68	19040	19250	19040	19140
31-Oct-13	0.47	19090	19240	19090	19100
29-Nov-13	1.12	19000	19000	19000	19000

**Cotton Prices at Key Spot Markets**

Centre	Variety	Prices (Rs/Qtl)		Change
		4-Jun-13	3-Jun-13	
Amravati	Mech-1	4750	4700	50
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	No Arrival	No Arrival	-
Muktsar	B.T. Cotton	4600	4600	Unch
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	5025	4975	50
Fazilika*	B.T. Cotton	4090	4080	10
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	4120	No Arrival	-
Bhiwani	B.T. Cotton	4870	No Arrival	-
Ahmedabad	Shankar-6	5075	5050	25
Gondal	Shankar-6	5000	5000	Unch
Sri-Ganganagar	J-34	No Arrival	3990	-
Abohar	J-34	4120	4100	20
Muktsar	J-34	4125	4120	5

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		%Change
		4-Jun-13	3-Jun-13	
Amravati	Mech-1	1500	1500	Unch
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	No Arrival	No Arrival	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	680	800	-120

Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	10000	10000	Unch
Gondal	Shankar-6	327	521	-194
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	70	70	Unch

\* New Crop

**Cotton Association of India Spot Rates: 03/6/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (03/6/2013)	Rs. Per Candy (01/6/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	35600	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37000	36500	+500
J-34(202)	26mm	3.5 - 4.9	23	36800	37100	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38200	37900	+400
Shankar-6(105)	29mm	3.5 - 4.9	28	38500	38500	Unch
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 03/6/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	88.80	-0.60

**China Cotton Index: As on 04/6/2013**

Index	RMB/Ton	Change
CCIndex(328)	19335	Unch
CCIndex(527)	16968	-2
CCIndex(229)	20073	Unch

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

**USDA Cotton Spot Rates: As on 03/6/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	80.86	84.11	NIL
North Delta	80.11	82.61	11
South Delta	80.11	82.61	NIL
East TX-OK	77.25	80	885
West Texas	77.25	80.25	19
Desert SW	74.86	81.36	NIL
SJ Valley	76.11	86.76	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 03/6/2013**

Contract	Open	High	Low	Close	Change
13-Jul	79.46	82.36	79.32	82.36	3
13-Oct	82.95	84.89	81.95	84.86	2.97
13-Dec	82.06	84.41	81.72	84.32	2.26
14-Mar	82.81	84.53	81.94	84.47	2.09
14-May	83.82	85.02	83.81	85.02	1.99
14-Jul	84.39	85.53	84.39	85.53	1.82

**Pakistan Cotton Spot rates: As on 03/6/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6450	155	6605
Equivalent	40 Kgs	6912	155	7067

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