

## Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Wednesday.
- 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	6.0	1,086.0	1,096.5	1,081.5	1,091.5

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	3	0
Mar-14	0	0	2	0
Apr-14	2336	101	3207	101

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-76.50

**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	-5.30	1050	1057.9	1050	1056
May-14	6.60	1082.5	1087.2	1073.2	1083.6

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	-6	6	75	-1
May-14	114	-46	572	-2

Spread	Apr-14	May-14
April-14	-41.00	
May-14		-68.60

**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	0.42	19210	19260	19150	19190
31-Jul-13	0.37	19230	19290	19130	19210
31-Oct-13	0.37	18940	19040	18870	18950

## Cotton Prices at Key Spot Markets

Centre	Variety	Prices (Rs/Qtl)		Change
		5-Jun-13	4-Jun-13	
Amravati	Mech-1	4800	4750	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	No Arrival	4600	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	5030	5025	5
Fazilika*	B.T. Cotton	4090	4090	Unch
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	4080	4120	-40
Bhiwani	B.T. Cotton	4850	4870	-20
Ahmedabad	Shankar-6	5075	5075	Unch
Gondal	Shankar-6	4970	5000	-30
Sri-Ganganagar	J-34	4020	No Arrival	-
Abohar	J-34	4150	4120	30
Muktsar	J-34	4150	4125	25

\* New Crop

## Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		5-Jun-13	4-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	830	680	<b>150</b>
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	10000	10000	<b>Unch</b>
Gondal	Shankar-6	524	327	<b>197</b>
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	100	70	<b>30</b>
Muktsar	J-34	No Arrival	No Arrival	-

\* New Crop

**Cotton Association of India Spot Rates: 04/6/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (04/6/2013)	Rs. Per Candy (03/6/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	36100	<b>Unch</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37000	37000	<b>Unch</b>
J-34(202)	26mm	3.5 - 4.9	23	37200	36800	<b>+400</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38700	38200	<b>+500</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	39000	38500	<b>+500</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40000	39600	<b>+400</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	4100	40600	<b>+400</b>
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	<b>Unch</b>

**Cotlook Index: As on 04/6/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	91.50	<b>+2.70</b>

**China Cotton Index: As on 05/6/2013**

Index	RMB/Ton	Change
CCIndex(328)	19332	<b>-3</b>
CCIndex(527)	16967	<b>-1</b>
CCIndex(229)	20072	<b>-1</b>

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

**USDA Cotton Spot Rates: As on 04/6/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.06	86.31	<b>NIL</b>
North Delta	82.31	84.81	<b>NIL</b>
South Delta	82.31	84.81	<b>NIL</b>

East TX-OK	79.25	82	264
West Texas	79.25	82.25	384
Desert SW	77.06	83.56	NIL
SJ Valley	78.31	88.96	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 04/6/2013**

Contract	Open	High	Low	Close	Change
13-Jul	82.7	86.38	81.8	84.56	2.2
13-Oct	85.1	86.52	84.1	85.96	1.1
13-Dec	83.73	86.41	83.08	85.44	1.12
14-Mar	84.25	86.18	83.5	85.57	1.1
14-May	84.52	86.23	84.4	86	0.98
14-Jul	84.99	86.46	84.79	86.46	0.93

**Pakistan Cotton Spot rates: As on 04/6/2013 (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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