

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Friday.
- Cotton plantation reached 11.86 lakh hectares in Northern India. This was 10.37 lakh hectares in same period last year. Punjab noticed higher acreage (1.19 Lakh hec.), Haryana (0.86 lakh hec), Rajasthan (0.45 lakh hec.) and Karnataka (0.10 lakh hec.).
- Exports of Cotton Yarn are projected to raise, 1150 million kg in current fiscal.
- Spinning mills are in market driving demand.
- 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.

Cotton International Fundamentals

- US law maker are in pursuit of ending subsidy on US cotton, that would ,make prices at par with developing countries.
- 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.

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	-8.5	1,090.5	1,096.0	1,082.5	1085.00

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

Contract	+/-	Open	High	Low	Close
Apr-14	-1.20	1051	1054	1045	1054
May-14	-4.80	1086	1088	1075.2	1080

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	3	0
Mar-14	0	0	2	0
Apr-14	2042	-204	3003	-204

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	5	-5	75	0
May-14	97	-17	568	-4

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-70.00

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

Spread	Apr-14	May-14
April-14	-39.00	
May-14		-65.00

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	-0.26	18900	18990	18890	18930
31-Jul-13	-0.26	19160	19240	19140	19180
31-Oct-13	-0.16	19120	19230	19120	19170

Cotton Prices at Key Spot Markets

Centre	Variety	Prices (Rs/Qtl)		Change
		6-Jun-13	5-Jun-13	
Amravati	Mech-1	4800	4800	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	4870	4800	70
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	5075	5030	45
Fazilika*	B.T. Cotton	4130	4090	40
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	4070	4080	-10
Bhiwani	B.T. Cotton	4825	4850	-25
Ahmedabad	Shankar-6	5075	5075	Unch
Gondal	Shankar-6	5000	4970	30
Sri-Ganganagar	J-34	4020	4020	Unch
Abohar	J-34	4150	4150	Unch
Muktsar	J-34	4150	4150	Unch

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		6-Jun-13	5-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	840	830	10
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	Unch
Gondal	Shankar-6	282	524	-242
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	70	100	-30
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Association of India Spot Rates: 05/6/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (05/6/2013)	Rs. Per Candy (04/6/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	36100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37000	37000	Unch
J-34(202)	26mm	3.5 - 4.9	23	37400	37200	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38700	38700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38800	39000	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40000	40000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41000	4100	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 05/6/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.10	+1.60

China Cotton Index: As on 06/6/2013

Index	RMB/Ton	Change
CCIndex(328)	19330	-2
CCIndex(527)	16965	-2
CCIndex(229)	20072	Unch

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

USDA Cotton Spot Rates: As on 05/6/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.02	85.27	NIL
North Delta	81.27	83.77	616

South Delta	81.27	83.77	NIL
East TX-OK	78.75	81.5	264
West Texas	78.75	81.75	390
Desert SW	76.02	82.52	NIL
SJ Valley	77.27	87.92	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 05/6/2013

Contract	Open	High	Low	Close	Change
13-Jul	84.45	84.75	83.25	83.52	-1.04
13-Oct	86.13	86.13	85.28	85.4	-0.56
13-Dec	85.3	85.3	83.86	84.9	-0.54
14-Mar	85.04	85.29	84.3	85.21	-0.36
14-May	85.39	85.62	85.25	85.61	-0.39
14-Jul	85.78	86.09	85.64	86.06	-0.4

Pakistan Cotton Spot rates: As on 05/6/2013 (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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