

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to firm tone on Friday except slight weakness in Fazilika market.
- Lower stocks in the domestic market added to the positive tone of the market.
- 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.
- Cotton futures at NYMEX closed higher amid good export sales.
- 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 steady to firm tone amid good demand in the ready market.

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	-16.0	1,090.0	1,091.5	1,068.5	1072

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

Contract	+/-	Open	High	Low	Close
Apr-14	-9.30	1035.5	1052	1035.5	1040
May-14	-15.80	1078.1	1080.2	1062.2	1065.4

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	3	0
Mar-14	0	0	2	0
Apr-14	3653	-48	2955	-48

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	7	-7	73	-2
May-14	131	34	556	-12

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-57.00

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

Spread	Apr-14	May-14
April-14	-25.00	
May-14		-50.40

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	19200	19280	19130	19270
31-Jul-13	0.68	19230	19310	19120	19310
31-Oct-13	0.58	19000	19040	18860	19030

Cotton Prices at Key Spot Markets

Centre	Variety	Prices (Rs/Qtl)		Change
		7-Jun-13	6-Jun-13	
Amravati	Mech-1	4850	4800	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	4900	4870	30
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	5085	5075	10
Fazilika*	B.T. Cotton	4125	4130	-5
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	4070	4070	Unch
Bhiwani	B.T. Cotton	4825	4825	Unch
Ahmedabad	Shankar-6	5075	5075	Unch
Gondal	Shankar-6	5000	5000	Unch
Sri-Ganganagar	J-34	4050	4020	30
Abohar	J-34	4160	4150	10
Muktsar	J-34	4150	4150	Unch

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		7-Jun-13	6-Jun-13	
Amravati	Mech-1	2000	1500	500
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	650	840	-190
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	557	282	275
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	20	70	-50
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Association of India Spot Rates: 06/6/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (06/6/2013)	Rs. Per Candy (05/6/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36600	36100	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37500	37000	+500
J-34(202)	26mm	3.5 - 4.9	23	37400	37400	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38700	38700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38800	38800	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40000	40000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41000	41000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 06/6/2013

Cotlook Indices	Cents/Pound	Change
A-Index	92.70	-0.40

China Cotton Index: As on 07/6/2013

Index	RMB/Ton	Change
CCIndex(328)	19326	-4
CCIndex(527)	16961	-4
CCIndex(229)	20070	-2

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

USDA Cotton Spot Rates: As on 06/6/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.87	87.12	2860
North Delta	83.12	85.62	NIL
South Delta	83.12	85.62	NIL
East TX-OK	80	82.75	880
West Texas	80	83	NIL
Desert SW	77.37	83.87	NIL
SJ Valley	78.62	89.27	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 06/6/2013

Contract	Open	High	Low	Close	Change
13-Jul	83.4	84.98	82.73	84.87	1.35
13-Oct	84.54	86.07	84.54	86.07	0.67
13-Dec	84.76	85.44	83.55	85.39	0.49
14-Mar	84.55	85.76	83.91	85.7	0.49
14-May	84.91	86.07	84.34	86.06	0.45
14-Jul	84.8	86.5	84.8	86.46	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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