

## Cotton Domestic Fundamentals:

- Cotton prices noticed mix tone on Monday.
- Good buying from the mills amid export demand supported prices.
- Kharif cotton acreage till 5<sup>th</sup> June, 2013 is reported at 11.70 lakh hectares compared to 11.76 lakh hectares during the same period previous year.
- Sowing is progressing well in the northern states of Punjab, Uttar Pradesh, Haryana and Rajasthan.
- Exports of Cotton Yarn are projected to raise, 1150 million kg in current fiscal.
- Spinning mills are in market driving demand.

## 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 lower amid selling interest around current levels.
- 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.

**Outlook:** We expect domestic cotton prices to continue steady to firm tone amid good demand from the exporters.

### 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	-4.5	1,073.0	1,080.0	1,052.5	1068.50

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

Contract	+/-	Open	High	Low	Close
Apr-14	-12.50	1024	1034	1019	1030.1
May-14	-5.10	1065.3	1072	1046.5	1061.1

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	3	0
Mar-14	0	0	2	0
Apr-14	3936	49	2960	49

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	177	-177	73	-44
May-14	211	-404	552	499

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		0	
Apr-14			-48.50

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

Spread	Apr-14	May-14
April-14	-10.10	
May-14		-41.10

**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	1.37	19050	19230	18920	19220
31-Jul-13	1.46	19330	19500	19190	19500
31-Oct-13	1.41	19210	19480	19190	19480
29-Nov-13	1.32	19010	19250	19010	19250

**Cotton Prices at Key Spot Markets**

Centre	Variety	Prices (Rs/Qtl)		Change
		10-Jun-13	8-Jun-13	
Amravati	Mech-1	4900	-	-
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	4900	Unch
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	5090	5090	Unch
Fazilika	B.T. Cotton	4145	4135	10
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4000	4020	-20
Bhiwani*	B.T. Cotton	4750	4800	-50
Ahmedabad	Shankar-6	5100	5100	Unch
Gondal	Shankar-6	5020	4960	60
Sri-Ganganagar	J-34	4010	4060	-50
Abohar	J-34	4180	4165	15
Muktsar	J-34	4190	4165	25

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		10-Jun-13	8-Jun-13	
Amravati	Mech-1	1000	-	-
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	800	525	275
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	7000	10000	-3000
Gondal	Shankar-6	224	534	-310
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	20	20	Unch
Muktsar	J-34	No Arrival	No Arrival	-

\* New Crop

**Cotton Association of India Spot Rates: 08/6/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (08/6/2013)	Rs. Per Candy (07/6/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37100	36600	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38000	37500	+500
J-34(202)	26mm	3.5 - 4.9	23	37700	37400	+300
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38700	38700	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	38900	38800	+100
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 07/6/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.20	+0.50

## China Cotton Index: As on 10/6/2013

Index	RMB/Ton	Change
CCIndex(328)	19321	-2
CCIndex(527)	16958	-3
CCIndex(229)	20069	-1

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

## USDA Cotton Spot Rates: As on 07/6/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.86	87.11	872
North Delta	83.11	85.61	NIL
South Delta	83.11	85.61	NIL
East TX-OK	80.00	82.75	101
West Texas	80.00	83.00	NIL
Desert SW	77.66	83.86	NIL
SJ Valley	78.61	89.26	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 07/6/2013

Contract	Open	High	Low	Close	Change
13-Jul	84.8	85.99	84.31	84.86	-0.01
13-Oct	86.3	86.3	85.74	85.74	-0.33
13-Dec	85.25	85.69	84.85	85.18	-0.21
14-Mar	85.47	85.86	85.11	85.35	-0.35
14-May	85.64	86.17	85.64	85.72	-0.34
14-Jul	86.09	86.5	86	86.14	-0.32

## Pakistan Cotton Spot rates: As on 08/6/2013 (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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