

## Cotton Domestic Fundamentals:

- Cotton prices noticed firm tone on Thursday.
- Cotton Association of India (CAI), has pegged cotton production at 352 lakh bales as on May 31, 2013
- 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	1,070.0	1,070.0	1,070.0	1070.00
Apr-14	8.5	1,075.0	1,084.0	1,072.0	1,080.5

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

Contract	+/-	Open	High	Low	Close
Apr-14	5.70	1040	1047	1035.1	1042.5
May-14	8.10	1067.1	1074.9	1063.6	1072

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	3	0
Mar-14	1	0	2	0
Apr-14	2285	338	3429	338

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	-4	4	70	0
May-14	92	-28	564	8

Spread	Feb-14	Mar-14	Apr-14
Feb-14	0		
Mar-14		-50.0	
Apr-14			-60.50

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

Spread	Apr-14	May-14
April-14	-22.50	
May-14		-52.00

**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	-0.21	19170	19250	19060	19090
31-Jul-13	-0.31	19450	19550	19340	19370
31-Oct-13	-0.15	19480	19560	19390	19390
29-Nov-13	-0.26	19450	19450	19260	19300

**Cotton Prices at Key Spot Markets**

Centre	Variety	Prices (Rs/Qtl)		Change
		13-Jun-13	12-Jun-13	
Amravati	Mech-1	4950	4925	25
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	5170	5205	-35
Fazilika	B.T. Cotton	4280	4160	120
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4300	4000	300
Bhiwani*	B.T. Cotton	5200	4770	430
Ahmedabad	Shankar-6	5100	5100	Unch
Gondal	Shankar-6	5045	5055	-10
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	4300	4250	50
Muktsar	J-34	4280	4250	30

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		13-Jun-13	12-Jun-13	
Amravati	Mech-1	1000	1000	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	800	400	400
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	6000	1000
Gondal	Shankar-6	53	24	29
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	No Arrival	No Arrival	-
Muktsar	J-34	1000	No Arrival	-

\* New Crop

**Cotton Association of India Spot Rates: 12/6/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (12/6/2013)	Rs. Per Candy (11/6/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38000	38000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38900	38900	Unch
J-34(202)	26mm	3.5 - 4.9	23	38600	38400	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39500	39300	200
Shankar-6(105)	29mm	3.5 - 4.9	28	39700	39500	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40800	40600	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42100	41600	500
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49000	500

**Cotlook Index: As on 12/6/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	93.10	-0.80

**China Cotton Index: As on 13/6/2013**

Index	RMB/Ton	Change
CCIndex(328)	19318	-3
CCIndex(527)	16958	Unch
CCIndex(229)	20067	-2

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

**USDA Cotton Spot Rates: As on 12/6/2013**

Growth Area	Leaf 4 to Staple 34 cents/lb.	Leaf 3 to Staple 35 cents/lb.	Arrivals bales
Southeast	88.56	91.81	+1995
North Delta	87.81	90.31	NIL
South Delta	87.81	90.31	NIL
East TX-OK	85.25	88.00	NIL

West Texas	85.25	88.25	<b>NIL</b>
Desert SW	82.56	89.06	<b>NIL</b>
SJ Valley	83.81	94.46	<b>NIL</b>

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 12/6/2013**

Contract	Open	High	Low	Close	Change
<b>13-Jul</b>	88.17	90.31	86.88	90.06	<b>2.00</b>
<b>13-Oct</b>	87.00	89.31	86.01	89.31	<b>2.46</b>
<b>13-Dec</b>	85.25	88.18	84.25	88.07	<b>2.89</b>
<b>14-Mar</b>	85.15	87.75	84.42	87.59	<b>2.36</b>
<b>14-May</b>	85.12	87.75	84.74	87.52	<b>2.20</b>
<b>14-Jul</b>	85.41	87.57	85.28	87.57	<b>1.96</b>

**Pakistan Cotton Spot rates: As on 12/6/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	6500	155	665
<b>Equivalent</b>	40 Kgs	6966	155	7121

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