

Cotton Domestic Fundamentals:

- Cotton prices noticed firm tone on Friday except Bhiwani.
- 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 5th 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

- USDA has cut the forecast the cotton forecast due to draught in Texas.
- China considers changes in domestic cotton policy; this could impact the Indian cotton exports.
- 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	1,046.5	1,046.5	1,046.5	1046.50
Apr-14	7.0	1,084.0	1,090.0	1,081.0	1088.00

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

Contract	+/-	Open	High	Low	Close
Apr-14	3.70	1049.9	1049.9	1042.7	1045.1
May-14	7.00	1071.1	1080	1071.1	1078

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	3	0
Mar-14	1	1	3	1
Apr-14	2684	-187	3242	-187

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	3	-3	70	0
May-14	81	-11	562	-2

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	-15.10	
May-14		-48.00

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	0.83	19400	19500	19180	19450
31-Jul-13	0.92	19620	19790	19620	19750
31-Oct-13	0.97	19780	19870	19770	19800
29-Nov-13	1.49	19700	19820	19690	19790

Cotton Prices at Key Spot Markets

Centre	Variety	Prices (Rs/Qtl)		Change
		14-Jun-13	13-Jun-13	
Amravati	Mech-1	5000	4950	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	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	5195	5170	25
Fazilika	B.T. Cotton	4310	4280	30
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4260	4300	-40
Bhiwani*	B.T. Cotton	5200	5200	Unch
Ahmedabad	Shankar-6	5150	5100	50
Gondal	Shankar-6	5085	5045	40
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	4325	4300	25
Muktsar	J-34	4325	4280	45

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		14-Jun-13	13-Jun-13	
Amravati	Mech-1	3000	1000	2000
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	750	800	-50
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	5000	7000	-2000
Gondal	Shankar-6	72	53	19
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	No Arrival	No Arrival	-
Muktsar	J-34	No Arrival	1000	-

* New Crop

Cotton Association of India Spot Rates: 13/6/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (13/6/2013)	Rs. Per Candy (12/6/2013)	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	39000	38600	400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39700	39500	200
Shankar-6(105)	29mm	3.5 - 4.9	28	39700	39700	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40800	40800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42100	42100	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49500	Unch

Cotlook Index: As on 13/6/2013

Cotlook Indices	Cents/Pound	Change
A-Index	95.60	+2.50

China Cotton Index: As on 14/6/2013

Index	RMB/Ton	Change
CCIndex(328)	19318	Unch
CCIndex(527)	16956	-1
CCIndex(229)	20063	-4

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

USDA Cotton Spot Rates: As on 13/6/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.22	93.47	NIL
North Delta	89.47	91.97	NIL
South Delta	89.47	91.97	NIL

East TX-OK	87.00	89.75	NIL
West Texas	87.00	90.00	NIL
Desert SW	84.22	90.72	NIL
SJ Valley	85.47	96.12	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 13/6/2013

Contract	Open	High	Low	Close	Change
13-Jul	90.00	91.82	88.43	91.72	1.66
13-Oct	88.06	90.13	88.06	90.13	0.82
13-Dec	87.91	89.28	86.43	89.15	1.08
14-Mar	87.42	88.95	86.48	88.88	1.29
14-May	87.26	88.75	86.55	88.68	1.16
14-Jul	87.24	88.77	86.74	88.61	1.04

Pakistan Cotton Spot rates: As on 13/6/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6450	155	6605
Equivalent	40 Kgs	6912	155	7067

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