

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to firm tone on Saturday.
- Good buying from the local mills and export demand supported prices.
- Lack of stocks in the ready market added to the positive tone of the market.
- Due to heavy rainfall in cotton growing region arrivals have been lower in mandis.
- Plantation is almost complete in Haryana, Rajasthan and Punjab
- Import of long length cotton is firm even when the cost has increased due to rupee depreciation. This is because the cost that long staple imported cotton is lower when procured from Gujarat and Maharashtra. Landed cost of long staple cotton is Rs.66, 275 per candy.

Cotton International Fundamentals

- As on 16 June, 2013 Cotton plantation has been completed in 98% of the total area in USA and germination stage is said to be fair to good.
- China imported 345,800 tons of cotton in May 2013, showing a 31.1 percent decline compared to the same month previous year according to the Customs Statistics.
- Cotton futures at NYMEX closed lower amid decline in US exports and weak Chinese manufacturing data.
- Plantation prospects of cotton in Australian are above average in current season as fields are having good water availability.
- China has sold 25 lakh tonnes of the raw cotton so far in ongoing marketing year, the cotton association of China said. Association said it plans to sell a total of 45 lakh tonnes by the end of July 2013.

Outlook: We expect domestic cotton prices to notice steady to firm tone in the near –term amid 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	1,020.0
Mar-14	0.0	0.0	0.0	0.0	1,046.5
Apr-14	-0.5	1,080.0	1,089.5	1,079.0	1,080.5

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

Contract	+/-	Open	High	Low	Close
Apr-14	3.60	1048.9	1048.9	1039	1045.5
May-14	2.40	1074.1	1079.7	1071.5	1075.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	3	0
Mar-14	0	0	2	0
Apr-14	1752	120	3342	120

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	-1	1	73	0
May-14	36	-16	554	6

Spread	Feb-14	Mar-14	Apr-14
Feb-14	55.0		
Mar-14		28.5	
Apr-14			-5.50

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

Spread	Apr-14	May-14
April-14	29.50	
May-14		-0.90

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	0.15	19300	19460	19300	19440
31-Jul-13	0.3	19600	19750	19600	19720
31-Oct-13	0.31	19920	20060	19820	20010
29-Nov-13	0.36	19800	19860	19800	19850

Cotton Prices at Key Spot Markets

Centre	Variety	Prices (Rs/Qtl)		Change
		22-Jun-13	21-Jun-13	
Amravati	Mech-1	5100	5025	+100
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	5515	5050	+465
Fazilika	B.T. Cotton	4340	4300	+40
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4250	4200	+50
Bhiwani*	B.T. Cotton	5150	5000	+150
Ahmedabad	Shankar-6	5375	5150	+225
Gondal	Shankar-6	5320	5200	+120
Sri-Ganganagar	J-34	4232	4220	+12
Abohar	J-34	4370	4330	+40
Muktsar	J-34	4330	4325	+5

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		22-Jun-13	21-Jun-13	
Amravati	Mech-1	500	500	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	950	865	+85
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	4000	4000	Unch
Gondal	Shankar-6	751	520	+231
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	No Arrival	No Arrival	-
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Association of India Spot Rates: 21/6/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (21/6/2013)	Rs. Per Candy (20/6/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39000	39000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39900	39900	Unch
J-34(202)	26mm	3.5 - 4.9	23	39400	39200	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39700	39500	200
Shankar-6(105)	29mm	3.5 - 4.9	28	40200	40000	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40800	40600	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42200	42000	300
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49500	Unch

Cotlook Index: As on 21/6/2013

Cotlook Indices	Cents/Pound	Change
A-Index	92.35	-1.25

China Cotton Index: As on 21/6/2013

Index	RMB/Ton	Change
CCIndex(328)	19321	-1
CCIndex(527)	16950	-1
CCIndex(229)	20069	+1

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

USDA Cotton Spot Rates: As on 21/6/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.43	86.68	NIL
North Delta	82.68	85.18	NIL
South Delta	82.68	85.18	NIL

East TX-OK	80.25	83.00	NIL
West Texas	80.25	83.25	NIL
Desert SW	78.68	85.18	NIL
SJ Valley	79.68	90.33	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 21/6/2013

Contract	Open	High	Low	Close	Change
13-Jul	84.51	85.59	84.21	85.15	+0.23
13-Oct	85.67	85.99	85.10	85.68	-0.24
13-Dec	85.06	85.46	84.32	84.64	-0.72
14-Mar	84.91	84.91	83.53	83.71	-1.28
14-May	84.32	84.32	83.00	83.11	-1.56
14-Jul	84.21	84.21	82.72	82.81	-1.85

Pakistan Cotton Spot rates: As on 21/6/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6500	155	6655
Equivalent	40 Kgs	6966	155	7121

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2013 Indian Agribusiness Systems Pvt Ltd.