

## Cotton Domestic Fundamentals:

- Cotton prices noticed weak sentiments on Monday.
- 22,000-20,000 bales of cotton have arrived across India. This is likely to remain steady to low as plantation activity is going on across cotton growing areas.
- Cotton Plantation has reached 28.13 lakh hectares for 2013-14 amid good rainfall received in growing areas of cotton. This is above than the normal cropping area of 24.59 lakh hectares.
- Good buying from the local mills and export demand supported prices.

## Cotton International Fundamentals

- Pakistan textile exports grew on good demand from US and European markets. The demand is likely to upset as economy is likely to dip.
- China cotton imports dip to 31% compared to the same time last year in May 2013.
- Cotton global stocks will be lowest level in 3 years. The global supplies of cotton have been getting tighter outside China.

**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     | 0.0     |
| Mar-14   | 0.0   | 0.0   | 0.0     | 0.0     | 0.0     |
| Apr-14   | -13.5 | 404.0 | 1,052.0 | 1,058.5 | 1,042.0 |

### Volumes and OI in Lots

| Contract | Volume  | Change | OI   | Change |
|----------|---------|--------|------|--------|
| Feb-14   | 1020    | -3     | 0    | -3     |
| Mar-14   | 1050.00 | -2     | 0    | -2     |
| Apr-14   | 1053    | -357   | 2912 | -357   |

| Spread | Feb-14 | Mar-14 | Apr-14 |
|--------|--------|--------|--------|
| Feb-14 | -      |        |        |
| Mar-14 |        | -      |        |
| Apr-14 |        |        | 68.00  |

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

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

| Contract | +/-    | Open    | High    | Low     | Close   |
|----------|--------|---------|---------|---------|---------|
| Apr-14   | -3.90  | 1030.00 | 1020.00 | 1026.10 | 1030.00 |
| May-14   | -10.00 | 1060.00 | 1050.00 | 1050.60 | 1060.60 |

### Volumes and OI in Lots

| Contract | Volume | Change | OI  | Change |
|----------|--------|--------|-----|--------|
| Apr-14   | -1006  | 1006.1 | 19  | -46    |
| May-14   | 1050.6 | 646.6  | 111 | -293   |

| Spread   | Apr-14 | May-14 |
|----------|--------|--------|
| April-14 | 85.00  |        |
| May-14   |        | 57.30  |

**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    |
|-----------|----------|-------|-------|-------|----------|
| 31-Jul-13 | 0.31     | 19300 | 19490 | 19190 | 19330.00 |
| 31-Oct-13 | 0.45     | 19980 | 20160 | 19880 | 19940.00 |
| 29-Nov-13 | 00       | 19900 | 20070 | 19830 | 19940.00 |

**Cotton Prices at Key Spot Markets**

| Centre         | Variety     | Prices (Rs/Qtl) |            | Change |
|----------------|-------------|-----------------|------------|--------|
|                |             | 7/1/13          | 6/29/13    |        |
| Amravati       | Mech-1      | 5150            | 5200       | -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 | 5600            | 5560       | 40     |
| Fazilika       | B.T. Cotton | 4325            | 4430       | -105   |
| Fazilika*      | B.T. Cotton | No Arrival      | No Arrival | -      |
| Bhiwani        | B.T. Cotton | 4325            | 4450       | -125   |
| Bhiwani*       | B.T. Cotton | 5200            | 5425       | -225   |
|                |             |                 |            |        |
| Ahmedabad      | Shankar-6   | 5500            | 5500       | Unch   |
| Gondal         | Shankar-6   | 5600            | 5555       | 45     |
|                |             |                 |            |        |
| Sri-Ganganagar | J-34        | 4375            | 4400       | -25    |
| Abohar         | J-34        | 4450            | 4470       | -20    |
| Muktsar        | J-34        | 4460            | 4500       | -40    |

\* New Crop

**Cotton Arrivals in Key Centers**

| Centre   | Variety | Arrivals   |            | Change |
|----------|---------|------------|------------|--------|
|          |         | 7/1/13     | 6/29/13    |        |
| Amravati | Mech-1  | 500        | 450        | 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 | 650        | 550        | 100  |
| 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   | 2000       | 1000       | 1000 |
| Gondal         | Shankar-6   | 167        | 237        | -70  |
|                |             |            |            |      |
| 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: 28/6/2013**

| Trade Name                               | Staple        | Micronaire | Strength/<br>GPT | Rs. Per<br>Candy<br>(29/6/2013) | Rs. Per<br>Candy<br>(28/6/2013) | Change |
|--|---------------|------------|------------------|---------------------------------|---------------------------------|--------|
| Bengal Deshi (RG)/<br>Assam Comilla(101) | Below<br>22mm | 5.0 - 7.0  | 15               | 39600                           | 39300                           | 300    |
| Bengal Deshi<br>(SG)(201)                | Below<br>22mm | 5.0 - 7.0  | 15               | 40500                           | 40200                           | 300    |
| J-34(202)                                | 26mm          | 3.5 - 4.9  | 23               | 40600                           | 40700                           | -100   |
| H-4/ MECH-1(105)                         | 28mm          | 3.5 - 4.9  | 27               | 40700                           | 40900                           | -200   |
| Shankar-6(105)                           | 29mm          | 3.5 - 4.9  | 28               | 41300                           | 41500                           | -200   |
| Bunny/ Brahma(105)                       | 31mm          | 3.5 - 4.9  | 30               | 42000                           | 42000                           | Unch   |
| MCU-5/ Surabhi(106)                      | 32mm          | 3.3 - 4.9  | 31               | 42600                           | 42600                           | Unch   |
| DCH-32(107)                              | 34mm          | 3.0 - 3.8  | 33               | 51000                           | 51000                           | Unch   |

**Cotlook Index: As on 28/6/2013**

| Cotlook Indices | Cents/Pound | Change |
|-----------------|-------------|--------|
| A-Index         | 91.30       | +0.20  |

**China Cotton Index: As on 1/7/2013**

| Index        | RMB/Ton | Change |
|--------------|---------|--------|
| CCIndex(328) | 19292   | -8     |
| CCIndex(527) | 16938   | -2     |
| CCIndex(229) | 20060   | -1     |

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

**USDA Cotton Spot Rates: As on 28/6/2013**

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|---------------------|---------------------|----------|
|             | cents/lb.           |                     | bales    |
| Southeast   | 83.36               | 86.61               | NIL      |
| North Delta | 82.61               | 85.11               | 1320     |
| South Delta | 82.61               | 85.11               | NIL      |
| East TX-OK  | 81.00               | 83.75               | NIL      |
| West Texas  | 81.00               | 84.00               | NIL      |
| Desert SW   | 78.61               | 85.11               | NIL      |
| SJ Valley   | 79.61               | 90.26               | 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 28/6/2013**

| Contract | Open  | High  | Low   | Close | Change |
|----------|-------|-------|-------|-------|--------|
| 13-Jul   | 82.81 | 83.85 | 82.71 | 82.71 | -0.42  |
| 13-Oct   | 86.10 | 86.31 | 85.23 | 85.61 | -0.52  |
| 13-Dec   | 84.07 | 84.63 | 83.31 | 84.01 | 0.13   |
| 14-Mar   | 82.25 | 82.79 | 81.64 | 82.48 | 0.34   |
| 14-May   | 81.90 | 82.18 | 81.39 | 81.86 | 0.36   |
| 14-Jul   | 81.55 | 81.75 | 81.23 | 81.43 | 0.21   |

**Pakistan Cotton Spot rates: As on 29/6/2013 (in Pakistan Rupees)**

| Product    | Rate for  | Ex-Gin Price | Up Country Sales | Spot Rate Karachi |
|------------|-----------|--------------|------------------|-------------------|
| Cotton     | 37.32 Kgs | 6300         | 155              | 6455              |
| Equivalent | 40 Kgs    | 6752         | 155              | 6907              |

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