

## Cotton Domestic Fundamentals:

- 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.
- 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.
- 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 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	-0.5	1,058.5	1,060.0	1,048.0	1054.50

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	3	3	3
Mar-14	0	1	1	1
Apr-14	1700	-96	2816	-96

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-		
Mar-14		-	
Apr-14			55.00

**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	19	18.00	60	0
May-14	111	41.00	407	17

Spread	Apr-14	May-14
April-14	80.00	
May-14		47

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

Contract	% Change	Open	High	Low	Close
31-Jul-13	-0.65	19900	19950	19660	19740
31-Oct-13	0	20150	20220	20080	20100
29-Nov-13	0.1	20250	20460	20240	20300

**Cotton Prices at Key Spot Markets**

Centre	Variety	Prices (Rs/Qtl)		Change
		7/2/13	7/1/13	
Amravati	Mech-1	5100	5150	-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	5615	5600	15
Fazilika	B.T. Cotton	4325	4325	Unch
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4325	4325	Unch
Bhiwani*	B.T. Cotton	5200	5200	Unch
Ahmedabad	Shankar-6	5500	5500	Unch
Gondal	Shankar-6	5600	5600	Unch
Sri-Ganganagar	J-34	No Arrival	4375	-
Abohar	J-34	4460	4450	10
Muktsar	J-34	4455	4460	-5

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		7/2/13	7/1/13	
Amravati	Mech-1	700	500	200
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	550	650	-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	2000	Unch
Gondal	Shankar-6	145	167	-22
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:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				7/1/2013	6/29/2013	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39900	39600	300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40500	400
J-34(202)	26mm	3.5 - 4.9	23	40400	40600	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40500	40700	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	41000	41300	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41700	42000	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42300	42600	-300
DCH-32(107)	34mm	3.0 - 3.8	33	51000	51000	Unch

**China Cotton Index: As on 2/7/2013**

Index	RMB/Ton	Change
CCIndex(328)	19290	-2
CCIndex(527)	16939	Unch
CCIndex(229)	20058	-2

**Cotlook Index: As on 1/7/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	91.30	Unch

**USDA Cotton Spot Rates: As on 1/7/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.67	87.92	NIL
North Delta	83.92	86.42	NIL
South Delta	83.92	86.42	NIL
East TX-OK	82.25	85.00	134
West Texas	82.25	85.25	NIL
Desert SW	79.92	86.42	NIL
SJ Valley	80.92	91.57	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 1/7/2013**

Contract	Open	High	Low	Close	Change
13-Jul	82.75	84.29	82.74	84.29	1.58
13-Oct	85.17	86.92	85.17	86.92	1.31
13-Dec	84.15	85.57	83.2	85.54	1.53
14-Mar	82.52	83.95	81.79	83.82	1.34
14-May	81.5	83.33	81.27	83.33	1.47
14-Jul	81.25	82.92	80.94	82.92	1.49

**Pakistan Cotton Spot rates: As on 1/7/2013 (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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