

Domestic Fundamentals:

Market Outlook: Cotton market noticed mostly mixed tone on Saturday.

Prices of cotton are moving flat to mixed amid weak trading activities in the market.

Arrivals stood lower to 121000 bales today compared to 126000 bales on Friday.

Cotton market is sluggish as many of the mandis are closed due to FY'13 ending.

In The News: Department of Agriculture in Karnataka has banned the sale of Bt cotton seeds produced by Maharashtra Hybrid Company (Mahyco) on supply of substandard quality of seeds.

Cotton yarn prices are under pressure as China has revised the buying prices for yarn. One of the reason for the same is the having situation of strong rupee versus dollar. Under the new policy applicable from April 1st 2014, government has lowered the bids from current floor price of 18000 Yuan per ton to 17250 per ton.

Suggestion of moderate increase of 1-5% in MSP has been proposed by Commission of Agriculture Costs and Practices (CACP) for the agriculture commodities of Kharif crop season 2014-15. This recommendation has been forwarded to the Ministry of Agriculture, where final decision would be made by the new cabinet after the elections.

Area under the cotton cultivation, according to ministry of agriculture stood 114.67 lakh hectares this season (2013-14), compared to 117.29 lakh hectares last season.

Production as per the estimates of Department of Agriculture and cooperation (DAC) would be around 353 lakh bales (of 170 kg each), compared to 340 lakh bales last year.

Yield of cotton though initially gained significantly, but it is likely to decline during the consequences in later stages.

Export according to USDA estimates, are likely to be around 96.05 lakh bales this season (2013-14), versus 101.43 last season.

Import as per the USDA estimates, would be around 14.05 lakh bales this season, compared to 14.59 lakh bales previous season.

International Fundamentals:

- On higher acreage, Brazil is expected to notice remarkable increase of 17% in cotton production on Y-o-Y basis in year 2014-15, as reported by USDA.
- In China, cotton imports during February down by 35% to 246001 tonne as compared with same period in last month. Moreover, total cotton import during this calendar year was also down by 35.6% to 538438 tonne in comparison with corresponding period in previous year -Customs.
- Africa is finding scope to sell their cotton in India. A delegation of 18 members from Africa is visiting Coimbatore and other cotton hubs in India. International Cotton Trade, an alliance of World Trade Organization (WTO) and United Nations (UN), is initiating a mission to make access for African cotton in Indian market.

Outlook

We expect domestic prices to remain range bound with weak biasness amid sluggish demand.

NCDEX Kapas Futures : (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-14	-3.5	808	808	808	808	0	0	2	0
Apr-14	-2.5	841	842	836.5	839.5	3619	-2674	13617	-205

	Mar-14	Apr-14
Spot	242	
Mar-14		31.5

NB: Spread was done by taking avg. spot prices at Rajkot – B.T. Cotton market. Basis = Spot- Near Month Future

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-14									
Mar-14	-1	795	795	795	795	2	-3	95.00	-2.00
Apr-14	-1.5	840	841	836.7	838.7	332	152	911.00	3.00

	Mar-14	Apr-14
Spot	255	
Mar-14		43.7
Apr-14		

NB: Spread was done by taking avg. spot prices at Rajkot – B.T. Cotton market. Basis = Spot- Near Month Future

MCX Cotton Futures Closed (29 mm Variety):

Contract	Change	Open	High	Low	Close
31-Mar-14	-0.73	20350	20390	20310	20380
30-Apr-14	-0.72	20670	20750	20630	20750
30-May-14	-0.66	20950	21020	20910	21020
30-Jun-14	-0.79	21220	21280	21200	21280
31-Jul-14	-0.55	21500	21580	21500	21580

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		29-Mar-14	28-Mar-14	
	Kapas	(Rs/Qtl)		
Amravati	Mech-1	4850	4800	50
Khandwa	Mech-1	Closed	5200	Unch
Khargaon	Mech-1	Closed	5200	Unch
	Kapas			
Mahesana(Kadi)	B.T. Cotton	5400	5500	-100
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	Closed	Closed	-
Muktsar	B.T. Cotton	5400	5500	-100
Fazilika	B.T. Cotton	5460	5200	260
Bhiwani	B.T. Cotton	5625	5600	25
Adampur	B.T. Cotton	5375	5360	15
Fatehabad	B.T. Cotton	5400	5400	Unch
Dabwali	B.T. Cotton	5310	5320	-10
Jind	B.T. Cotton	5400	5350	50
Rawatsar (Hanumangarh)	B.T. Cotton	5320	5300	20
Hubli	B.T. Cotton	5049	5090	-41
	Kapas	(Rs/Qtl)		
Ahmedabad	Shankar-6	5250	5250	Unch
Gondal	Shankar-6	Closed	Closed	-
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	5136	5169	-33
Hubli	D.C.H.	4609	4609	Unch
Raichur	H-44 Cotton	5080	5075	5
	Lint	Rs./Maund (of 37.32kg each)		
Abohar	J-34	4585	4570	15
Muktsar	J-34	4595	4580	15
Fazilika	J-34	4560	4500	60
Bhatinda	J-34	4600	4590	-10
Mansa	J-34	4560	4550	10
Sirsa	J-34	4475	4480	-5
Sri-Ganganagar	J-34	4244	4240	4
Hanumangarh	B.T. Cotton	4500	4500	Unch

Adilabad	>30mm	4314	4314	Unch
Warangal	>30mm	4335	4335	Unch
Guntur	>30mm	4419	4419	Unch
Bhainsa	>30mm	NA	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		29-Mar-14	28-Mar-14	
Amravati	Mech-1	33000	33000	Unch
Khandwa	Mech-1	Closed	2400	--
Khargaon	Mech-1	Closed	6000	--
Mahesana(Kadi)	B.T. Cotton	40000	25000	15000
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	Closed	Closed	-
Fazilika	B.T. Cotton	700	450	250
Bhiwani	B.T. Cotton	400	200	200
Adampur	B.T. Cotton	680	680	Unch
Fatehabad	B.T. Cotton	900	1200	-300
Dabwali	B.T. Cotton	150	150	Unch
Jind	B.T. Cotton	221	170	51
Rawatsar (Hanumangarh)	B.T. Cotton	800	150	650
Hubli	B.T. Cotton	124	106	18
Ahmedabad	Shankar-6	51000	42500	-8500
Gondal	Shankar-6	Closed	Closed	-
Bijapur	Bunny	613	1340	-727
Hubli	D.C.H.	2	2	Unch
Raichur	H-44 Cotton	2429	2675	-246
Abohar	J-34	170	850	-680
Muktsar	J-34	170	340	-170
Bhatinda	J-34	20400	20740	-340
Mansa	J-34	595	595	Unch
Sirsa	J-34	850	1360	-510
Sri-Ganganagar	J-34	1700	1700	Unch
Hanumangarh	B.T. Cotton	300	600	-300

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				28-Mar-14	27-Mar-14	
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	38500	38500	Unch
J-34(202)	26mm	3.5 - 4.9	23	42200	42200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40400	40400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	41800	41800	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42200	42200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43200	43200	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	60500	60500	Unch

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 28/3/2014

Index	RMB/Ton	Change
CCIndex(328)	19407	-2
CCIndex(527)	17721	-7
CCIndex(229)	20252	Unch

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

Cotlook Index: As on 28/3/2014

Cotlook Indices	Cents/Pound	Change
A-Index	97.30	+0.90

USDA Cotton Spot Rates: As on 28/3/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.74	93.74	2363
North Delta	89.74	92.24	NIL
South Delta	89.74	92.24	NIL
East TX-OK	85	87.25	114
West Texas	85	87	877
Desert SW	86.99	93.74	NIL
SJ Valley	87.74	98.39	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 28/3/2014

Contract	Open	High	Low	Close	Change
May-14	92.46	93.8	92.25	93.74	1.18
Jul-14	92.37	93.67	92.05	93.61	1.24
Oct-14	82	82	82	82	0.51
Dec-14	79.61	79.96	79.33	79.93	0.48
Mar-15	79.4	80	79.4	79.8	0.25
May-15	79.95	79.95	79.49	79.72	0.19

Pakistan Cotton Spot rates: As on 28/3/2014 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6600	155	6755
Equivalent	40 Kgs	7073	155	7228

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