

Domestic Fundamentals:

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

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

Arrivals stood lower to 103000 bales today compared to 121000 bales on Saturday.

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

In The News: As per the latest estimates by ICF (Indian Cotton Federation), cotton production in India would be around in 37.6 million bales (each of 170 kg.) in season 2013-14, which was estimated to be around 36.1 million bales in January.

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.

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:

- UAE (United Arab Emirates) became the major export destination of Indian made fabric (MMF) with increase of 35% in its export during April-January 2013-14. India has exported MMF worth of \$429 million to UAE during period mentioned, while USA stood the second largest export destination after UAE with export worth of \$352 million.
- 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.

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	24	832	832	832	832	1	1	2	0
Apr-14	-6	839.5	843	829	833.5	5902	2283	13123	-494

	Mar-14	Apr-14
Spot	218	
Mar-14		1.5

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	6	798	801	797	801	50	48	45.00	-50.00
Apr-14	-7.3	840	840	828.4	831.4	307	-25	903.00	-8.00

	Mar-14	Apr-14
Spot	249	
Mar-14		30.4
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	-0.05	20480	20480	20260	20340
30-Apr-14	-0.14	20840	20840	20620	20660
30-May-14	-0.29	21120	21120	20900	20920
30-Jun-14	-0.14	21270	21310	21200	21210
31-Jul-14	-0.19	21570	21600	21500	21510

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		31-Mar-14	29-Mar-14	
	Kapas	(Rs/Qtl)		
Amravati	Mech-1	4800	4850	-50
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
	Kapas	(Rs/Qtl)		
Mahesana(Kadi)	B.T. Cotton	5400	5400	Unch
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	Closed	Closed	-
Muktsar	B.T. Cotton	5310	5400	-90
Fazilika	B.T. Cotton	5425	5460	-35
Bhiwani	B.T. Cotton	5600	5625	-25
Adampur	B.T. Cotton	5375	5375	Unch
Fatehabad	B.T. Cotton	5400	5400	Unch
Dabwali	B.T. Cotton	5315	5310	5
Jind	B.T. Cotton	5460	5400	60
Uchana (Jind)	B.T. Cotton	5430	5400	30
Rawatsar (Hanumangarh)	B.T. Cotton	5340	5320	20
Hubli	B.T. Cotton	Closed	5049	-
	Kapas	(Rs/Qtl)		
Ahmedabad	Shankar-6	5200	5250	-50
Gondal	Shankar-6	Closed	Closed	-
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	Closed	5136	-
Hubli	D.C.H.	Closed	4609	-
Raichur	H-44 Cotton	Closed	5080	-
	Lint	Rs./Maund (of 37.32kg each)		
Abohar	J-34	4600	4585	15
Muktsar	J-34	4590	4595	-5
Fazilika	J-34	4625	4560	65
Bhatinda	J-34	4615	4600	15
Mansa	J-34	4590	4560	30
Sirsa	J-34	4480	4475	5
Sri-Ganganagar	J-34	Closed	4244	-

Hanumangarh	B.T. Cotton	4500	4500	Unch
Adilabad	>30mm	4314	4314	Unch
Warangal	>30mm	Closed	4335	-
Guntur	>30mm	4403	4419	-16
Bhainsa	>30mm	NA	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		31-Mar-14	29-Mar-14	
Amravati	Mech-1	10000	33000	-23000
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
Mahesana(Kadi)	B.T. Cotton	25000	40000	-15000
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	Closed	Closed	-
Fazilika	B.T. Cotton	400	700	-300
Bhiwani	B.T. Cotton	500	400	100
Adampur	B.T. Cotton	680	680	Unch
Fatehabad	B.T. Cotton	600	900	-300
Dabwali	B.T. Cotton	250	150	100
Jind	B.T. Cotton	300	221	79
Uchana (Jind)	B.T. Cotton	2000	1500	500
Rawatsar (Hanumangarh)	B.T. Cotton	100	800	-700
Hubli	B.T. Cotton	Closed	124	-
Ahmedabad	Shankar-6	59500	51000	8500
Gondal	Shankar-6	Closed	Closed	-
Bijapur	Bunny	Closed	613	-
Hubli	D.C.H.	Closed	2	-
Raichur	H-44 Cotton	Closed	2429	-
Abohar	J-34	680	170	510
Muktsar	J-34	170	170	Unch
Bhatinda	J-34	15300	20400	-5100
Mansa	J-34	510	595	-85
Sirsa	J-34	1020	850	170
Sri-Ganganagar	J-34	Closed	1700	-

Hanumangarh	B.T. Cotton	300	300	Unch
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Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				29-Mar-14	28-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 31/3/2014

Index	RMB/Ton	Change
CCIndex(328)	19406	-1
CCIndex(527)	17705	-16
CCIndex(229)	20249	-3

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 29/3/2014 (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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