

Domestic Fundamentals:

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

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

Arrival stood higher at 105000 bales today as compared to 103000 bales on Monday.

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:

- USA is expected to see increase in acreage of upland cotton by 7% this season to 11.1 million acres. Last year area under cultivation of upland was 10.9 million acres. At the same time acreage of Pima cotton is likely to decline to 158000 acres, facing a fall of 21% on year on year basis.
- 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.

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
Apr-14	-10.5	828.5	831	820	821.50	7720	1818	12491	-632

Spread**	Apr-14		
Spot	--		

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

*as at 5:00 pm, 01-04-2014, Tuesday

**No spread is taken as spot market remained closed.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	-13.6	830.5	830.5	816.1	817	280	-27	945.00	42.00

Spread**	Apr-14		
Spot	--		

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

*as at 5:00 pm, 01-04-2014, Tuesday

**No spread is taken as spot market remained closed.

MCX Cotton Futures Closed (29 mm Variety):

Contract	Change	Open	High	Low	Close
30-Apr-14	-0.05	20530	20610	20450	20480
30-May-14	-0.14	20820	20890	20720	20740
30-Jun-14	-0.29	21150	21150	21020	21020
31-Jul-14	-0.14	21450	21450	21310	21310

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		1-Apr-14	31-Mar-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4800	4800	Unch
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	NR	Closed	-
Muktsar	B.T. Cotton	5300	5310	-10
Fazilika	B.T. Cotton	5411	5425	-14
Bhiwani	B.T. Cotton	5625	5600	25
Adampur	B.T. Cotton	5375	5375	Unch
Fatehabad	B.T. Cotton	5415	5400	15
Dabwali	B.T. Cotton	5175	5315	-140
Jind	B.T. Cotton	5460	5460	Unch
Uchana (Jind)	B.T. Cotton	5430	5430	Unch
Rawatsar (Hanumangarh)	B.T. Cotton	5320	5340	-20
Hubli	B.T. Cotton	NR	Closed	-
	Kapas	(Rs./Qtl.)		
Ahmedabad	Shankar-6	5200	5200	Unch
Gondal	Shankar-6	Closed	Closed	-
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	5189	Closed	-
Hubli	D.C.H.	NR	Closed	-
Raichur	H-44 Cotton	NR	Closed	-
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	4580	4600	-20
Muktsar	J-34	4585	4590	-5
Fazilika	J-34	4595	4625	-30
Bhatinda	J-34	4610	4615	-5
Mansa	J-34	4590	4590	Unch
Sirsa	J-34	4475	4480	-5
Sri-Ganganagar	J-34	4230	Closed	-

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

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		1-Apr-14	31-Mar-14	
Amravati	Mech-1	27000	10000	17000
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
Mahesana(Kadi)	B.T. Cotton	20000	25000	-5000
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	NR	Closed	-
Fazilika	B.T. Cotton	600	400	200
Bhiwani	B.T. Cotton	600	500	100
Adampur	B.T. Cotton	680	680	Unch
Fatehabad	B.T. Cotton	800	600	200
Dabwali	B.T. Cotton	50	250	-200
Jind	B.T. Cotton	731	300	431
Uchana (Jind)	B.T. Cotton	2100	2000	100
Rawatsar (Hanumangarh)	B.T. Cotton	100	100	Unch
Hubli	B.T. Cotton	NR	Closed	-
Ahmedabad	Shankar-6	54400	59500	-5100
Gondal	Shankar-6	NR	Closed	-
Bijapur	Bunny	524	Closed	-
Hubli	D.C.H.	NR	Closed	-
Raichur	H-44 Cotton	NR	Closed	-
Abohar	J-34	850	680	170
Muktsar	J-34	170	170	Unch
Bhatinda	J-34	20400	15300	5100
Mansa	J-34	680	510	170
Sirsa	J-34	850	1020	-170


02nd April 2014

Sri-Ganganagar	J-34	1190	Closed	-
Hanumangarh	B.T. Cotton	NR	300	-

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 01/4/2014

Index	RMB/Ton	Change
CCIndex(328)	19403	-3
CCIndex(527)	17705	Unch
CCIndex(229)	20245	-4

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

Cotlook Index: As on 31/3/2014

Cotlook Indices	Cents/Pound	Change
A-Index	98.10	0.80

USDA Cotton Spot Rates: As on 31/3/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.52	93.52	Nil
North Delta	89.52	92.02	Nil
South Delta	89.52	92.02	Nil
East TX-OK	85	87.25	442
West Texas	85	87	842
Desert SW	86.77	93.52	Nil
SJ Valley	87.52	98.17	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 31/3/2014

Contract	Open	High	Low	Close	Change
May-14	93.91	94.80	92.51	93.52	-0.22
Jul-14	93.74	94.66	92.53	93.55	-0.06
Oct-14	82.27	82.27	81.95	82.14	0.14
Dec-14	79.9	80.08	79.41	80.00	0.07
Mar-15	79.8	79.90	79.53	79.86	0.06
May-15	79.81	79.81	79.81	79.81	0.09

Pakistan Cotton Spot rates: As on 31/3/2014 (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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