

Domestic Fundamentals:

Market Outlook: Cotton market noticed steady to mixed tone on Saturday. Prices of cotton are moving a lethargic way amid lackluster demand and weak exports. Arrival stood unchanged today at 93,000 bales compared to 93,000 bales on Friday.

In The News: According to latest estimates by Cotton Association of India (CAI), cotton output in India will be around 381.25 lakh bales (each of 170 Kgs.) in current season (Oct'13-Sep'14).

Area under cotton cultivation is likely to increase to 11.8 million hectares in season 2014-15 from 11.7 million hectares in season 2013-14, as per the USDA latest estimates.

On lower production prospects, exports of cotton from India during 2014-15 could fall to 7.7 million bales from 10 million bales expected in 2013-14, noticing a decline of 23% as reported by USDA. In coming season India is likely to produce 36 million bales against 37.2 million bales in current season.

Besides the china policy of buying cotton, factor that could negatively impact the prices of cotton is the price competitiveness of polyester. During 2013-14, average of Cotlook A index stood 90 cents per pound, whereas it remained about 97 cents per pound in March 14, which is clearly showing a uptrend in prices of cotton. On other hand side polyester has been averaged at 73 cents per pound in China during 2013-14 and in March it dropped down to 66 cents making average of 70 cents per pound.

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.

A 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.

International Fundamentals:

- Cotton production in China could fall by 10% on Y-o-Y basis in 2014-15 over the concerns of ending of Chinese policy of buying and storing cotton by government.
- Cotton sowing in Uzbekistan, one of the top cotton producers in the world is likely to be delayed by about two weeks to end of April this year, as predicted by USDA.
- Global cotton ending stock, according to International Cotton Advisory Committee (ICAC) is likely to be around 21.04 million tons in 2014-15, nearly 5% higher of the ending stock expected in 2013-14, which would be around 20.04 million tons as reported by ICAC.

Outlook

We expect domestic prices to remain weak with range bound movement.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	6.5	766	776	764	773	4,507	9399	5,413	11997

Spread	Apr-14		
Spot	237		

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, 11-04-2014, Friday

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	8	750	760	745.6	757	171	-139	608	-86

Spread	Apr-14		
Spot	253		

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, 11-04-2014, Friday

MCX Cotton Futures*: (Prices in Rs/170 kgs)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	120	19790	19940	19750	19890	1600	319	5129	-765
May-14	110	20070	20240	20030	20160	1220	-26	4272	442
Jun-14	90	20330	20470	20290	20410	348	115	1260	343
Jul-14	80	20640	20710	20530	20660	59	-108	670	51

Spread	Apr-14	May-14	Jun-14	Jul-14
Spot	--			
Apr-14		-270		
May-14			-250	
Jun-14				-250

NB: Spread was done by taking avg. spot prices at Sriganganagar market. Basis = Spot- Near Month Future

*as at 5:00 pm, 11-04-2014, Friday

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		12-Apr-14	11-Apr-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4750	4850	-100
Khandwa	Mech-1	NA	5100	-
Khargaon	Mech-1	NA	5100	-
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	5500	5350	150
Rajkot	B.T. Cotton	5300	5050	250
Patan	B.T. Cotton	5675	5725	-50
Deesa	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	5400	-
Fazilika	B.T. Cotton	5325	5350	-25
Bhiwani	B.T. Cotton	NA	5600	-
Adampur	B.T. Cotton	5390	5410	-20
Fatehabad	B.T. Cotton	NA	5425	-
Dabwali	B.T. Cotton	5345	5350	-5
Jind	B.T. Cotton	5400	NA	-
Uchana (Jind)	B.T. Cotton	5500	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	NA	5325	-
Hubli	B.T. Cotton	NA	0	-
	Kapas	(Rs./Qtl.)		
Ahmedabad	Shankar-6	4950	5000	-50
Gondal	Shankar-6	5055	5405	-350
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	NA	5311	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	5100	5000	100
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	4570	4575	-5
Muktsar	J-34	NA	4570	-
Fazilika	J-34	4570	4500	70
Bhatinda	J-34	4590	4570	20
Mansa	J-34	NA	4550	-
Sirsa	J-34	4475	4475	Unch
Sri-Ganganagar	J-34	4221	4230	-9.17

Hanumangarh	B.T. Cotton	4490	4530	-40
Adilabad	>30mm	4356	4377	-20.76
Warangal	>30mm	NA	4393	-
Guntur	>30mm	4403	4403	0.42
Bhainsa	>30mm	NA	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		12-Apr-14	11-Apr-14	
Amravati	Mech-1	6000	25000	-19000
Khandwa	Mech-1	NA	1500	-
Khargaon	Mech-1	NA	5000	-
Mahesana(Kadi)	B.T. Cotton	25000	25000	Unch
Rajkot	B.T. Cotton	4000	5500	-1500
Patan	B.T. Cotton	10845	5000	5845
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	400	400	Unch
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	340	340	Unch
Fatehabad	B.T. Cotton	NA	1000	-
Dabwali	B.T. Cotton	180	225	-45
Jind	B.T. Cotton	340	NA	-
Uchana (Jind)	B.T. Cotton	800	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	NA	300	-
Hubli	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	51000	59500	-8500
Gondal	Shankar-6	2415	3153	-738
Bijapur	Bunny	NA	2019	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	3417	2550	867
Abohar	J-34	340	340	Unch
Muktsar	J-34	NA	102	-
Bhatinda	J-34	10200	11900	-1700
Mansa	J-34	NA	510	-
Sirsa	J-34	850	850	Unch
Sri-Ganganagar	J-34	510	680	-170



Hanumangarh	B.T. Cotton	NA	NA	-
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Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				11-Apr-14	10-Apr-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	37500	38000	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38000	38500	-500
J-34(202)	26mm	3.5 - 4.9	23	41600	41900	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39900	40200	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	41500	41800	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42100	42400	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43100	43400	-300
DCH-32(107)	34mm	3.0 - 3.8	33	58000	58500	-500

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 11/4/2014

Index	RMB/Ton	Change
CCIndex(328)	18515	-11
CCIndex(527)	17088	0
CCIndex(229)	19343	-50

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

Cotlook Index: As on 11/4/2014

Cotlook Indices	Cents/Pound	Change
A-Index	92.2	-1.3

USDA Cotton Spot Rates: As on 11/4/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	86.02	89.02	0
North Delta	85.02	87.52	0
South Delta	85.02	87.52	0
East TX-OK	81.25	83.50	1
West Texas	81.25	83.25	0
Desert SW	82.27	89.02	0
SJ Valley	83.02	93.67	0

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 10/4/2014

Contract	Open	High	Low	Close	Change
May-14	89.02	90.01	88.63	89.02	Unch
Jul-14	90.29	91.3	90.02	90.45	0.16
Oct-14	81.84	81.84	81.84	81.84	0.39
Dec-14	80.77	21-Mar	80.7	81.47	0.63
Mar-15	80.7	81.38	80.55	81.28	0.6
May-15	80.95	81.37	80.7	81.37	0.56

Pakistan Cotton Spot rates: As on 10/4/2014 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6500	155	6655
Equivalent	40 Kgs	6966	155	7121

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