

Domestic Fundamentals:

Market Outlook: Cotton market noticed steady to mixed tone on Monday.

Prices of cotton are moving weak amid revised cotton policy of China and weak demand.

Arrival remained weak as most of the markets remained closed.

Most of the market and mandis remained closed today, following “*Ambedkar Jayanti*”

In The News: Pakistan government and other cotton stakeholder are willing to impose import duty on cotton yarn imported from India. However the final decision requires the mandate of others and final decision on this is yet to come. As officials said, they are not willing to ban the cotton yarn imports from India though they wish to impose duty to save the interest of their textile stakeholders.

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 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.

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	773	777.5	773	776.5	463	-4044	9190	-209

Spread	Apr-14		
Spot	268.5		

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

*as at 5:30 pm, 14-04-2014, Monday

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	2.9	753	757	753	756.1	4	-167	604	-4

Spread	Apr-14		
Spot	288.9		

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

*as at 5:30 pm, 14-04-2014, Monday

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	170	19950	20040	19950	19990	334	-1266	5142	13
May-14	160	20240	20290	20230	20240	297	-923	4374	102
Jun-14	150	20520	20540	20490	20490	71	-277	1353	93
Jul-14	180	20770	20770	20770	20770	1	-58	693	23

Spread	Apr-14	May-14	Jun-14	Jul-14
Spot	--			
Apr-14		-250		
May-14			-250	
Jun-14				-280

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

*as at 5:30 pm, 14-04-2014, Monday

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		14-Apr-14	12-Apr-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4850	4750	100
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	5500	5500	Unch
Rajkot	B.T. Cotton	5225	5300	-75
Patan	B.T. Cotton	5825	5675	150
Deesa	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	5355	5325	30
Bhiwani	B.T. Cotton	5625	NA	-
Adampur	B.T. Cotton	5375	5390	-15
Fatehabad	B.T. Cotton	5410	NA	-
Dabwali	B.T. Cotton	5340	5345	-5
Jind	B.T. Cotton	NA	5400	-
Uchana (Jind)	B.T. Cotton	5510	5500	10
Rawatsar (Hanumangarh)	B.T. Cotton	NA	NA	-
Hubli	B.T. Cotton	NA	NA	-
	Kapas	(Rs./Qtl.)		
Ahmedabad	Shankar-6	5050	4950	100
Gondal	Shankar-6	5005	5055	-50
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	NA	4950	-
Hubli	D.C.H.	NA	5055	-
Raichur	H-44 Cotton	NA	5000	-
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	4570	4950	-380
Muktsar	J-34	NA	5055	-
Fazilika	J-34	4590	4500	90
Bhatinda	J-34	4575	4570	5
Mansa	J-34	NA	4550	-
Sirsa	J-34	4470	4475	-5

Sri-Ganganagar	J-34	4230	4230	Unch
Hanumangarh	B.T. Cotton	4530	4530	Unch
Adilabad	>30mm	NA	4377	-
Warangal	>30mm	NA	4393	-
Guntur	>30mm	NA	4403	-
Bhainsa	>30mm	NA	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		14-Apr-14	12-Apr-14	
Amravati	Mech-1	8000	6000	2000
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	20000	6000	14000
Rajkot	B.T. Cotton	8200	NA	-
Patan	B.T. Cotton	13000	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	250	400	-150
Bhiwani	B.T. Cotton	200	NA	-
Adampur	B.T. Cotton	255	340	-85
Fatehabad	B.T. Cotton	600	NA	-
Dabwali	B.T. Cotton	180	180	Unch
Jind	B.T. Cotton	NA	340	-
Uchana (Jind)	B.T. Cotton	500	800	-300
Rawatsar (Hanumangarh)	B.T. Cotton	NA	NA	-
Hubli	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	34000	51000	-17000
Gondal	Shankar-6	2725	2415	310
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	3417	-
Abohar	J-34	170	340	-170
Muktsar	J-34	NA	NA	-
Bhatinda	J-34	NA	10200	-
Mansa	J-34	NA	NA	-
Sirsa	J-34	510	850	-340


15th April 2014

Sri-Ganganagar	J-34	510	510	Unch
Hanumangarh	B.T. Cotton	NA	NA	-

Cotton Association of India Spot Rates:

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

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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