

**Domestic Fundamentals:**

**Market Outlook:** Cotton market noticed steady to firm tone on Wednesday. Arrival stood higher at 107,000 bales today compared to 105,000 bales on Tuesday.

**In The News:** In 2014-15, cotton planted area in China is likely to fall by 12% to 4.1 Million Hectare against the 10.5% less area expected in previous month-China Cotton Association.

In India, cotton crop arrivals stood down 4% to 295.16 lakh bales as on 14 April, 2014 as compared with the 308.5 lakh bales of total arrivals reported in same period during previous year.

On Tuesday, China's State reserve sold 34036 tonne of cotton to mills, further leads the total cotton sales to 10,58514 tonne from November 2013-Cotlook.

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	775	785	772	780.50	2628	-1901	9199	-20

Spread	Apr-14		
Spot	269.5		

**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, 16-04-2014.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	2.80	761	771	757	762.10	84	-104	615	13

Spread	Apr-14		
Spot	287.9		

**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, 16-04-2014.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	+70.00	20040	20170	20020	20070	927	-606	4390	-298
May-14	+110.00	20240	20430	20240	20330	1381	-57	4464	60
Jun-14	+110.00	20520	20660	20500	20590	154	-84	1469	22
Jul-14	+20.00	20780	20890	20730	20870	9	-86	698	1

Spread	Apr-14	May-14	Jun-14	Jul-14
Spot	2931.163			
Apr-14		-260		
May-14			-260	
Jun-14				-280

**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, 16-04-2014.

DOMESTIC PRICES AND ARRIVALSCotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		16-Apr-14	15-Apr-14	
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Amravati	Mech-1	4800	NA	-
Khandwa	Mech-1	5200	NA	-
Khargaon	Mech-1	5200	NA	-
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Mahesana(Kadi)	B.T. Cotton	5500	5500	Unch
Rajkot	B.T. Cotton	5250	NA	-
Patan	B.T. Cotton	5800	NA	-
Deesa	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	5400	NA	-
Fazilika	B.T. Cotton	5390	5370	20
Bhiwani	B.T. Cotton	5600	5580	20
Adampur	B.T. Cotton	5415	5400	15
Fatehabad	B.T. Cotton	5415	5450	-35
Dabwali	B.T. Cotton	5360	5360	Unch
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	5505	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	5320	NA	-
Hubli	B.T. Cotton	5310	5195	115
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Ahmedabad	Shankar-6	5050	NA	-
Gondal	Shankar-6	4980	NA	-
	<b>Kapas</b>	<b>(Rs/Qtl)</b>		
Bijapur	Bunny	NA	5193	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	5100	-
	<b>Lint</b>	<b>(Rs./Maund of 37.32kg each)</b>		
Abohar	J-34	4590	4590	Unch
Muktsar	J-34	4650	NA	-
Fazilika	J-34	4580	4595	-15
Bhatinda	J-34	4620	4595	25
Mansa	J-34	NR	NR	-
Sirsa	J-34	4490	4485	5
Sri-Ganganagar	J-34	4230	4230	Unch
Hanumangarh	B.T. Cotton	NR	NR	-

Adilabad	>30mm	4393	4356	37
Warangal	>30mm	4393	4393	Unch
Guntur	>30mm	4403	4403	Unch
Bhainsa	>30mm	NA	NA	-

### Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		16-Apr-14	15-Apr-14	
Amravati	Mech-1	8000	NA	-
Khandwa	Mech-1	1500	NA	-
Khargaon	Mech-1	6000	NA	-
Mahesana(Kadi)	B.T. Cotton	20000	15000	5000
Rajkot	B.T. Cotton	NA	NA	-
Patan	B.T. Cotton	12500	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	200	250	-50
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	425	340	85
Fatehabad	B.T. Cotton	250	600	-350
Dabwali	B.T. Cotton	225	240	-15
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	300	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	60	NA	-
Hubli	B.T. Cotton	198	254	-56
Ahmedabad	Shankar-6	42500	NA	-
Gondal	Shankar-6	2590	NA	-
Bijapur	Bunny	NA	1722	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	2167	-
Abohar	J-34	170	340	-170
Muktsar	J-34	51	NA	-
Bhatinda	J-34	5100	11900	-6800
Mansa	J-34	NA	425	-
Sirsa	J-34	340	680	-340
Sri-Ganganagar	J-34	340	510	-170
Hanumangarh	B.T. Cotton	NR	NR	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				15-Apr-14	14-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	41800	41700	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39900	39800	100
Shankar-6(105)	29mm	3.5 - 4.9	28	41500	41400	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42200	42100	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43200	43100	100
DCH-32(107)	34mm	3.0 - 3.8	33	58000	58000	Unch

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 16/4/2014

Index	RMB/Ton	Change
CCIndex(328)	18494	-4
CCIndex(527)	17015	-18
CCIndex(229)	19310	Unch

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

Cotlook Index: As on 15/4/2014

Cotlook Indices	Cents/Pound	Change
A-Index	93.85	+1.65

USDA Cotton Spot Rates: As on 15/4/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	86.92	89.92	90
North Delta	85.92	88.42	Unch
South Delta	85.92	88.42	Unch
East TX-OK	82.00	84.25	Unch
West Texas	82.00	84.00	Unch
Desert SW	83.17	89.92	Unch
SJ Valley	83.92	94.57	Unch

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



Contract	Open	High	Low	Close	Change
May-14	91.00	91.58	89.14	89.92	-0.99
Jul-14	92.28	92.69	90.51	91.29	-0.99
Oct-14	81.85	81.85	81.37	81.66	-0.73
Dec-14	81.30	81.69	80.76	80.90	-0.47
Mar-15	81.12	81.45	80.50	80.66	-0.46
May-15	80.76	80.76	80.76	80.76	-0.50

### Pakistan Cotton Spot rates: As on 15/4/2014 (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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