

Domestic Fundamentals:

Market Outlook: Cotton market noticed steady to firm tone on Thursday.

Arrival stood lower at 102,000 bales today compared to 107,000 bales on Wednesday.

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 range bound movement with weak biasness.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	10	780	795	778	790.5	4882	2254	8009	-1190

Spread	Apr-14		
Spot	271.5		

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	8.9	762.6	777.9	761.5	774.5	54	-30	622	7

Spread	Apr-14		
Spot	287.5		

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	30	20170	20200	20100	20160	1034	107	4103	-287
May-14	50	20410	20470	20350	20440	1148	-233	4569	105
Jun-14	70	20620	20700	20600	20670	127	-27	1460	-9
Jul-14	90	20880	20900	20860	20890	21	12	712	14

Spread	Apr-14	May-14	Jun-14	Jul-14
Spot	--			
Apr-14		-280		
May-14			-230	
Jun-14				-220

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
		17-Apr-14	16-Apr-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	5000	4800	200
Khandwa	Mech-1	5200	5200	Unch
Khargaon	Mech-1	5200	5200	Unch
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	5500	5500	Unch
Rajkot	B.T. Cotton	5310	5250	60
Patan	B.T. Cotton	5750	5800	-50
Deesa	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	5400	5400	Unch
Fazilika	B.T. Cotton	5390	5390	Unch
Bhiwani	B.T. Cotton	-	5600	-
Adampur	B.T. Cotton	5460	5415	45
Fatehabad	B.T. Cotton	5450	5415	35
Dabwali	B.T. Cotton	5365	5360	5
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	-	5505	-
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	5320	-
Hubli	B.T. Cotton	Closed	5310	-
	Kapas	(Rs./Qtl.)		
Ahmedabad	Shankar-6	5125	5050	75
Gondal	Shankar-6	5350	4980	370
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	Closed	NA	-
Hubli	D.C.H.	Closed	NA	-
Raichur	H-44 Cotton	Closed	NA	-
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	4620	4590	30
Muktsar	J-34	4625	4650	-25
Fazilika	J-34	4580	4580	Unch
Bhatinda	J-34	4637	4620	17
Mansa	J-34	NR	NR	-
Sirsa	J-34	4510	4490	20

Sri-Ganganagar	J-34	Closed	4230	-
Hanumangarh	B.T. Cotton	Closed	NR	-
Adilabad	>30mm	4356	4393	-37
Warangal	>30mm	4419	4393	26
Guntur	>30mm	4351	4403	-52
Bhainsa	>30mm	NA	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		17-Apr-14	16-Apr-14	
Amravati	Mech-1	20000	8000	12000
Khandwa	Mech-1	1500	1500	Unch
Khargaon	Mech-1	6000	6000	Unch
Mahesana(Kadi)	B.T. Cotton	20000	20000	Unch
Rajkot	B.T. Cotton	4800	NA	-
Patan	B.T. Cotton	10500	12500	-2000
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	200	200	Unch
Bhiwani	B.T. Cotton	-	NA	-
Adampur	B.T. Cotton	425	425	Unch
Fatehabad	B.T. Cotton	300	250	50
Dabwali	B.T. Cotton	200	225	-25
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	Closed	300	-
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	60	-
Hubli	B.T. Cotton	Closed	198	-
Ahmedabad	Shankar-6	42500	42500	Unch
Gondal	Shankar-6	2178	2590	-412
Bijapur	Bunny	Closed	NA	-
Hubli	D.C.H.	Closed	NA	-
Raichur	H-44 Cotton	Closed	NA	-
Abohar	J-34	340	170	170
Muktsar	J-34	51	51	Unch
Bhatinda	J-34	5100	5100	Unch

Mansa	J-34	NA	NA	-
Sirsa	J-34	510	340	170
Sri-Ganganagar	J-34	Closed	340	-
Hanumangarh	B.T. Cotton	Closed	NR	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				16-Apr-14	15-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	41800	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	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	58000	58000	Unch

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 17/4/2014

Index	RMB/Ton	Change
CCIndex(328)	18472	-22
CCIndex(527)	16979	-36
CCIndex(229)	19287	-23

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

Cotlook Index: As on 16/4/2014

Cotlook Indices	Cents/Pound	Change
A-Index	92.85	+1

USDA Cotton Spot Rates: As on 16/4/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	87.79	90.79	238
North Delta	86.79	89.29	Unch
South Delta	86.79	89.29	Unch
East TX-OK	83	85.25	18
West Texas	83	85	1376
Desert SW	84.29	91.04	Unch
SJ Valley	85.04	95.69	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

ICE Cotton Futures (Prices in cents/lb.): As on 16/4/2014

Contract	Open	High	Low	Close	Change
May-14	90.4	91.23	90.06	91.04	1.12
Jul-14	91.5	92.7	91.5	92.57	1.28
Oct-14	82.23	82.23	82.23	82.23	0.57
Dec-14	81	81.73	81.08	81.36	0.46
Mar-15	81	81	81.01	81.04	0.38
May-15	81	81.13	81.13	81.13	0.37

Pakistan Cotton Spot rates: As on 16/4/2014 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6400	155	6555
Equivalent	40 Kgs	6859	155	7014

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2014 Indian Agribusiness Systems Pvt Ltd.