

**Domestic Fundamentals:**

**Market Outlook:** Cotton market noticed steady to firm tone on Monday. Arrival stood at 104,000 bales today.

**In The News:**

China's cotton import in March down by 58% to 222,088 tonne on M-O-M basis; and country imported 760,522 tonne of cotton(44% down) during this calendar year.

Indian cotton yarn export registration contracts in march totaled 111.738 million kg, up from 103.124 million kg in previous month. The total 1414.523 million kg ,up by 33% on in the fiscal year 2013-14 (year on year basis) -DGFT.

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	25.5	799	814	793	814	7896	3014	7716	-293

Spread	Apr-14
Spot	256

**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, 21-04-2014.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	+15.10	780	789	768	784	230	176	626	4

Spread	Apr-14
Spot	286

**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, 21-04-2014.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-14	+330.00	20200	20510	20200	20460	2160	1126	3167	-936
May-14	+360.00	20500	20830	20500	20760	3442	2294	4935	366
Jun-14	+350.00	20770	21050	20770	21020	358	231	1511	51
Jul-14	+340.00	21090	21220	21060	21220	51	30	729	17

Spread	Apr-14	May-14	Jun-14	Jul-14
Spot	--			
Apr-14		-300		
May-14			-260	
Jun-14				220

## DOMESTIC PRICES AND ARRIVALS

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		21-Apr-14	19-Apr-14	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	5000	5000	Unch
Khandwa	Mech-1	5200	NA	-
Khargaon	Mech-1	5200	NA	-
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Mahesana(Kadi)	B.T. Cotton	5400	5400	Unch
Rajkot	B.T. Cotton	5350	5320	30
Patan	B.T. Cotton	5800	NA	-
Deesa	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	5400	5400	Unch
Fazilika	B.T. Cotton	5400	5400	Unch
Bhiwani	B.T. Cotton	NA	5600	-
Adampur	B.T. Cotton	NA	5500	-
Fatehabad	B.T. Cotton	5400	5500	-100
Dabwali	B.T. Cotton	5300	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	5500	-
Rawatsar (Hanumangarh)	B.T. Cotton	NA	NA	-
Hubli	B.T. Cotton	5349	NA	-
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Ahmedabad	Shankar-6	5200	5100	100
Gondal	Shankar-6	5035	5045	-10
	<b>Kapas</b>	<b>(Rs/Qtl)</b>		
Bijapur	Bunny	5459	NA	-
Hubli	D.C.H.	5349	NA	-

Raichur	H-44 Cotton	5000	NA	-
	<b>Lint</b>	<b>(Rs./Maund of 37.32kg each)</b>		
Abohar	J-34	4670	4650	20
Muktsar	J-34	4660	4650	10
Fazilika	J-34	4650	4640	10
Bhatinda	J-34	4685	4670	15
Mansa	J-34	NA	NA	-
Sirsa	J-34	4570	4540	30
Sri-Ganganagar	J-34	NA	NA	-
Hanumangarh	B.T. Cotton	4600	4560	40
Adilabad	>30mm	4377	4356	21
Warangal	>30mm	4419	4419	Unch
Guntur	>30mm	4351	4351	Unch
Bhainsa	>30mm	NA	NA	-

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		21-Apr-14	19-Apr-14	
Amravati	Mech-1	29000	27000	2000
Khandwa	Mech-1	1200	NA	-
Khargaon	Mech-1	6000	NA	-
Mahesana(Kadi)	B.T. Cotton	25000	20000	5000
Rajkot	B.T. Cotton	4200	4500	-300
Patan	B.T. Cotton	9870	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	4650	100	4550
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	NA	510	-
Fatehabad	B.T. Cotton	100	200	-100
Dabwali	B.T. Cotton	400	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	70	-
Rawatsar (Hanumangarh)	B.T. Cotton	NA	NA	-
Hubli	B.T. Cotton	34	250	-216
Ahmedabad	Shankar-6	51000	42500	8500
Gondal	Shankar-6		1677	-1677

Bijapur	Bunny	3336	1984	<b>1352</b>
Hubli	D.C.H.	NA	2	-
Raichur	H-44 Cotton	1832	1375	<b>457</b>
Abohar	J-34	170	170	<b>Unch</b>
Muktsar	J-34	NA	85	-
Bhatinda	J-34	8500	6800	<b>1700</b>
Mansa	J-34	NA	NA	-
Sirsa	J-34	425	510	<b>-85</b>
Sri-Ganganagar	J-34	NA	NA	-
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
				19-Apr-14	18-Apr-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	37500	37900	<b>-400</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38000	38000	<b>Unch</b>
J-34(202)	26mm	3.5 - 4.9	23	42300	42200	<b>100</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40200	40100	<b>100</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	41800	41700	<b>100</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42500	42400	<b>100</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43500	43400	<b>100</b>
DCH-32(107)	34mm	3.0 - 3.8	33	58500	58500	<b>Unch</b>

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 21/4/2014**

Index	RMB/Ton	Change
CCIndex(328)	18311	<b>-85</b>
CCIndex(527)	16867	<b>-46</b>
CCIndex(229)	19185	<b>-55</b>

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

**Cotlook Index: As on 17/4/2014**

Cotlook Indices	Cents/Pound	Change
A-Index	93.85	<b>+1</b>

**USDA Cotton Spot Rates: As on 17/4/2014**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	88.34	91.34	650
North Delta	87.34	89.84	Unch
South Delta	87.34	89.84	Unch
East TX-OK	83	85.25	Unch
West Texas	83	85	131
Desert SW	84.84	91.59	Unch
SJ Valley	84.09	91.34	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 17/4/2014**

Contract	Open	High	Low	Close	Change
May-14	90.96	91.32	90.05	90.17	-0.87
Jul-14	92.59	92.89	91.91	92.34	-0.23
Oct-14	82.07	82.40	82.00	82.40	0.17
Dec-14	81.25	81.94	81.25	81.94	0.58
Mar-15	81.03	81.64	81.03	81.64	0.60
May-15	81.75	81.75	81.75	81.75	0.62

**Pakistan Cotton Spot rates: As on 19/4/2014 (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

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