

Domestic Fundamentals:

Market Outlook: Cotton market noticed steady tone on Thursday.

Most of the market remained closed following Maharashtra Day and International Labor Day.

In The News: As concluded by latest data from DGFT, export registration of cotton yarn rose by 33% in current FY. In year 2013-14, contracts of 1,415 million kg of cotton yarn for export were being registered by traders, compared to 1,067 million kg last year.

According to the officials, cotton acreage could boost up in upcoming season on expectation of lower rainfall. Cotton acreage, particularly in south India is likely to rise as it require lesser water than other crops like paddy. Other crop which could see higher cultivation this year is maize. About 5% of rise is expected in cotton area this year.

On Tuesday, China's State reserve sold 29,564 tonne of cotton to mills, further leads the total cotton sales to 1,352,788 tonne from November 2013. The 635,047 tonne of cotton was sold since April 1.

According to the China cotton Research Institute, cotton planting progress stood at 40.7% by April 15 , slightly behind 42.6% in last year.

China's cotton import decline by 44.3% to 761,000 tonne during January – March, 2014 against last year. China import cotton with a average price of 12000 yuan per tonne, up 4.5% on Y-O-Y -Cncotton.

In Tajikistan, 80% of cotton planting(targeted) completed as on April 27,2014. Farmer seeded cotton on 159,500 Ha. against the targeted 199,451 Ha. Meanwhile, cotton production in 2013 is down by 6% to 392,811 tonne. Tajikistan cotton export decline by 64% to USD 32.6 million during the January-March period in this year as compared with same corresponding period in last year.

According USDA, cotton import in Indonesia is expected to surge by 4% to 2.7 million bales (each of 480 pounds) during 2014-15.

International Fundamentals:

- Commencement of Cotton planting in Pakistan reported in several regions.
- According to the USDA report, Australian cotton lint production down by 4.4% to 900,000 tonne (or 4.1 million bales) in 2014-15 from 940,000 tonne produced in 2013-14. Meanwhile, cotton seed production dwindles to 1,200,000 tonne as compared with 1330,000 tonne produced in previous year. Cotton plantings in Australia are forecast to fall to 380,000 hectares in 2014-15 from 392,000 hectare in previous year.
- Australia exports around 95 percent of its raw cotton, with three quarters sold to China. In 2014-15, exports are expected to decline by 8% to 9 lakh tonne against the 9.75 lakh tonne exported in 2013-14.

Outlook

We expect domestic prices to remain range bound movement.

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

| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
|----------|-----|------|------|-----|-------|--------|--------|----|--------|
| Apr-14 | -- | -- | -- | -- | -- | -- | -- | -- | -- |

| | | | | | | | | | |
|--------|--------|--|--|--|----|--|----|--|--|
| Spread | Apr-14 | | | | | | | | |
| Spot | -- | | | | -- | | -- | | |

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

*Future Market Remain Closed

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

| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
|----------|-----|------|------|-----|-------|--------|--------|----|--------|
| Apr-14 | -- | -- | -- | -- | -- | -- | -- | -- | -- |

| | | | | | | | | | |
|--------|--------|--|--|--|--|--|--|--|--|
| Spread | Apr-14 | | | | | | | | |
| Spot | -- | | | | | | | | |

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

*Future Market Remain Closed

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

| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
|----------|-----|------|------|-----|-------|--------|--------|----|--------|
| May-14 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Jun-14 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Jul-14 | -- | -- | -- | -- | -- | -- | -- | -- | -- |

| | | | | | | | | | |
|--------|--------|--|--------|--|--------|--|--------|--|--|
| Spread | May-14 | | Jun-14 | | Jul-14 | | Aug-14 | | |
| Spot | -- | | | | | | | | |
| May-14 | | | -- | | | | | | |
| Jun-14 | | | | | -- | | | | |
| Jul-14 | | | | | | | -- | | |

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

*Future Market Remain Closed

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Market:

| Centre | Variety | Prices | | Change |
|------------------------|--------------|------------------------------------|-----------|--------|
| | | 1-May-14 | 30-Apr-14 | |
| | Kapas | (Rs./Qtl) | | |
| Amravati | Mech-1 | 5000 | 5000 | Unch |
| Khandwa | Mech-1 | Closed | 5300 | - |
| Khargaon | Mech-1 | Closed | 5300 | - |
| | Kapas | (Rs./Qtl.) | | |
| Mahesana(Kadi) | B.T. Cotton | Closed | Closed | - |
| Rajkot | B.T. Cotton | 5430 | Closed | - |
| Patan | B.T. Cotton | Closed | Closed | - |
| Deesa | B.T. Cotton | Closed | Closed | - |
| Muktsar | B.T. Cotton | Closed | Closed | - |
| Fazilika | B.T. Cotton | Closed | Closed | - |
| Bhiwani | B.T. Cotton | NA | NA | - |
| Adampur | B.T. Cotton | 5800 | 5800 | Unch |
| Fatehabad | B.T. Cotton | 5800 | 5800 | Unch |
| Dabwali | B.T. Cotton | NA | NA | - |
| Jind | B.T. Cotton | NA | NA | - |
| Uchana (Jind) | B.T. Cotton | NA | NA | - |
| Rawatsar (Hanumangarh) | B.T. Cotton | NA | NA | - |
| Hubli | B.T. Cotton | NA | NA | - |
| | Kapas | (Rs./Qtl.) | | |
| Ahmedabad | Shankar-6 | Closed | Closed | - |
| Gondal | Shankar-6 | 5325 | Closed | - |
| | Kapas | (Rs/Qtl) | | |
| Bijapur | Bunny | Closed | 5739 | - |
| Hubli | D.C.H. | Closed | NA | - |
| Raichur | H-44 Cotton | Closed | NA | - |
| | Lint | (Rs./Maund of 37.32kg each) | | |
| Abohar | J-34 | Closed | Closed | - |
| Muktsar | J-34 | Closed | Closed | - |
| Fazilika | J-34 | Closed | Closed | - |
| Bhatinda | J-34 | 4790 | Closed | - |
| Mansa | J-34 | 4750 | Closed | - |
| Sirsa | J-34 | 4725 | 4720 | 5 |

| | | | | |
|----------------|-------------|--------|------|-------------|
| Sri-Ganganagar | J-34 | Closed | NA | Unch |
| Hanumangarh | B.T. Cotton | Closed | 4750 | - |
| Adilabad | >30mm | NR | NR | - |
| Warangal | >30mm | NR | NR | - |
| Guntur | >30mm | NR | NR | - |
| Bhainsa | >30mm | NR | NR | - |

Cotton Arrivals in Key Centers:

| Centre | Variety | Arrivals (Qtl) | | Change |
|------------------------|-------------|----------------|-----------|--------------|
| | | 1-May-14 | 30-Apr-14 | |
| Amravati | Mech-1 | 32000 | 34000 | -2000 |
| Khandwa | Mech-1 | Closed | 1500 | - |
| Khargaon | Mech-1 | Closed | 1500 | - |
| | | | | |
| Mahesana(Kadi) | B.T. Cotton | Closed | Closed | - |
| Rajkot | B.T. Cotton | 4600 | Closed | - |
| Patan | B.T. Cotton | Closed | Closed | - |
| Deesa | B.T. Cotton | Closed | Closed | - |
| Fazilika | B.T. Cotton | Closed | Closed | - |
| Bhiwani | B.T. Cotton | NA | NA | - |
| Adampur | B.T. Cotton | 255 | 170 | 85 |
| Fatehabad | B.T. Cotton | NA | NA | - |
| Dabwali | B.T. Cotton | NA | NA | - |
| Jind | B.T. Cotton | NA | NA | - |
| Uchana (Jind) | B.T. Cotton | NA | NA | - |
| Rawatsar (Hanumangarh) | B.T. Cotton | NA | NA | - |
| Hubli | B.T. Cotton | NA | NA | - |
| | | | | |
| Ahmedabad | Shankar-6 | Closed | Closed | - |
| Gondal | Shankar-6 | 11536 | Closed | - |
| | | | | |
| Bijapur | Bunny | Closed | 2878 | - |
| Hubli | D.C.H. | Closed | NA | - |
| Raichur | H-44 Cotton | Closed | NA | - |
| | | | | |
| Abohar | J-34 | Closed | Closed | - |
| Muktsar | J-34 | Closed | Closed | - |
| Bhatinda | J-34 | Closed | Closed | - |
| Mansa | J-34 | Closed | Closed | - |
| Sirsa | J-34 | 340 | 170 | 170 |

| | | | | |
|----------------|-------------|--------|----|---|
| Sri-Ganganagar | J-34 | Closed | NA | - |
| Hanumangarh | B.T. Cotton | Closed | NA | - |

Cotton Association of India Spot Rates:

| Trade Name | Staple | Micronaire | Strength/ GPT | Rs. Per Candy | Rs. Per Candy | Change |
|---------------------------------------|------------|------------|------------------|------------------|------------------|--------|
| | | | | 30-Apr-14 | 29-Apr-14 | |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0 | 15 | 38500 | 38000 | 500 |
| Bengal Deshi (SG)(201) | Below 22mm | 5.0 - 7.0 | 15 | 39000 | 38500 | 500 |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 44000 | 43900 | 100 |
| H-4/ MECH-1(105) | 28mm | 3.5 - 4.9 | 27 | 40600 | 41300 | -700 |
| Shankar-6(105) | 29mm | 3.5 - 4.9 | 28 | 42400 | 42500 | -100 |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 43700 | 43800 | -100 |
| MCU-5/ Surabhi(106) | 32mm | 3.3 - 4.9 | 31 | 44700 | 44800 | -100 |
| DCH-32(107) | 34mm | 3.0 - 3.8 | 33 | 59000 | 59000 | Unch |

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 30/4/2014

| Index | RMB/Ton | Change |
|--------------|---------|--------|
| CCIndex(328) | 17518 | -9 |
| CCIndex(527) | 16353 | -3 |
| CCIndex(229) | 18399 | -56 |

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

Cotlook Index: As on 30/4/2014

| Cotlook Indices | Cents/Pound | Change |
|-----------------|-------------|--------|
| A-Index | 95.10 | 1.80 |

USDA Cotton Spot Rates: As on 30/4/2014

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|---------------------|---------------------|----------|
| | cents/lb. | | bales |
| Southeast | 90.29 | 93.29 | 1720 |
| North Delta | 89.29 | 91.79 | Nil |
| South Delta | 89.29 | 91.79 | Nil |
| East TX-OK | 84.25 | 86.5 | 746 |
| West Texas | 84.25 | 86.25 | 830 |
| Desert SW | 86.04 | 92.79 | Nil |
| SJ Valley | 86.79 | 97.44 | Nil |

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 30/4/2014

| Contract | Open | High | Low | Close | Change |
|---------------|-------|-------|-------|-------|--------------|
| May-14 | 94.31 | 94.60 | 94.14 | 94.14 | -0.12 |
| Jul-14 | 94.00 | 94.58 | 93.81 | 94.29 | 0.23 |
| Oct-14 | 83.71 | 83.89 | 83.71 | 83.83 | 0.21 |
| Dec-14 | 83.22 | 83.75 | 83.22 | 83.40 | -0.02 |
| Mar-15 | 82.71 | 83.00 | 82.68 | 82.69 | -0.07 |
| May-15 | 82.67 | 82.67 | 82.67 | 82.67 | Unch |

Pakistan Cotton Spot rates: As on 30/4/2014 (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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