

**Domestic Fundamentals:**

**Market Outlook:** Cotton market noticed steady tone on Friday.

Arrival stood lower at 88,000 bales today compared to 94,000 bales on Wednesday

**In The News:** Cotton arrivals in India this year stood higher compared to previous year owing good production of crop in the country. Total arrival recorded till April 30, 2014, was 33.575 million running bales of 155-157 kg each compared to 30.2 million bales during the corresponding period last year, thus noticing a increase of 17.79% on Y-o-Y basis.

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.

**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-15	7	975	984.5	972	981.5	690	-540	1351	625

Spread	Apr-15		
Spot	126.5	--	--

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

\*Updated at 5:30 pm on 02 May, 2014

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	-14.9	920	920	920	920	5	-56	188	-87

Spread	Mar-15		
Spot	188		

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

\*Updated at 5:30 pm on 02 May, 2014

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-14	130	21170	21360	21140	21300	1747	461	6049	-204
Jun-14	110	21460	21640	21440	21580	670	82	2393	199
Jul-14	110	21670	21870	21670	21810	201	155	1103	91

Spread	May-14	Jun-14	Jul-14	Aug-14
Spot	--			
May-14		-280		
Jun-14			-230	
Jul-14				--

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

\*Updated at 5:30 pm on 02 May, 2014

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		2-May-14	1-May-14	
	<b>Kapas</b>	<b>(Rs/Qtl)</b>		
Amravati	Mech-1	5050	5000	50
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
	<b>Kapas</b>	<b>(Rs/Qtl)</b>		
Mahesana(Kadi)	B.T. Cotton	5500	Closed	-
Rajkot	B.T. Cotton	5540	5430	110
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	NA	Closed	-
Muktsar	B.T. Cotton	NA	Closed	-
Fazilika	B.T. Cotton	NA	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	NR	NA	-
	<b>Kapas</b>	<b>(Rs/Qtl)</b>		
Ahmedabad	Shankar-6	5300	Closed	-
Gondal	Shankar-6	5325	5325	Unch
	<b>Kapas</b>	<b>(Rs/Qtl)</b>		
Bijapur	Bunny	NR	Closed	-
Hubli	D.C.H.	NR	Closed	-
Raichur	H-44 Cotton	NR	Closed	-
	<b>Lint</b>	<b>Rs./Maund (of 37.32kg each)</b>		
Abohar	J-34	4800	Closed	-
Muktsar	J-34	4825	Closed	-
Fazilika	J-34	4800	Closed	-
Bhatinda	J-34	4815	4790	25
Mansa	J-34	4760	4750	10
Sirsa	J-34	4730	4725	5

Sri-Ganganagar	J-34	4740	Closed	-
Hanumangarh	B.T. Cotton	4750	Closed	-
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
		2-May-14	1-May-14	
Amravati	Mech-1	33000	32000	1000
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
Mahesana(Kadi)	B.T. Cotton	20000	Closed	-
Rajkot	B.T. Cotton	3200	4600	-1400
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	NA	Closed	-
Fazilika	B.T. Cotton	NA	Closed	-
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	170	255	-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	NR	NA	-
Ahmedabad	Shankar-6	42500	Closed	-
Gondal	Shankar-6	1065	11536	-10471
Bijapur	Bunny	NR	Closed	-
Hubli	D.C.H.	NR	Closed	-
Raichur	H-44 Cotton	NR	Closed	-
Abohar	J-34	34	Closed	-
Muktsar	J-34	NA	Closed	-
Bhatinda	J-34	NA	Closed	-
Mansa	J-34	NA	Closed	-
Sirsa	J-34	340	340	Unch

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

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				2-May-14	1-May-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39000	38500	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39500	39000	500
J-34(202)	26mm	3.5 - 4.9	23	44200	44000	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40700	40600	100
Shankar-6(105)	29mm	3.5 - 4.9	28	42600	42400	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43900	43700	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44900	44700	200
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 01/5/2014**

Cotlook Indices	Cents/Pound	Change
A-Index	95.30	0.20

**USDA Cotton Spot Rates: As on 01/5/2014**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.20	93.20	46
North Delta	89.20	91.70	Nil
South Delta	89.20	97.70	Nil
East TX-OK	84.25	86.50	45
West Texas	84.25	86.25	446
Desert SW	85.95	92.70	Nil
SJ Valley	86.70	97.35	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 01/5/2014

Contract	Open	High	Low	Close	Change
<b>May-14</b>	94.44	94.47	93.00	94.07	<b>-0.07</b>
<b>Jul-14</b>	94.18	94.53	93.75	94.20	<b>-0.09</b>
<b>Oct-14</b>	83.60	84.22	83.60	84.22	<b>+0.39</b>
<b>Dec-14</b>	83.30	83.55	83.04	83.38	<b>-0.02</b>
<b>Mar-15</b>	82.78	82.78	82.47	82.71	<b>+0.02</b>
<b>May-15</b>	82.55	82.65	82.47	82.65	<b>-0.02</b>

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

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

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