

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Saturday.

Arrival stood higher at 92,000 bales today compared to 88,000 bales on Friday.

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	--	--	--	--	--	--	--	--	--

Spread	Apr-15								
Spot	--				--		--		

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

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	--	--	--	--	--	--	--	--	--

Spread	Mar-15								
Spot	--								

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

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)

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		3-May-14	2-May-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	5025	5050	-25
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	5750	5500	250
Rajkot	B.T. Cotton	5500	5540	-40
Patan	B.T. Cotton	6350	NA	-
Deesa	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
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	5300	5300	Unch
Gondal	Shankar-6	5345	5325	20
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	5579	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	5000	NA	-
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	4810	4800	10
Muktsar	J-34	4815	4825	-10
Fazilika	J-34	4825	4800	25
Bhatinda	J-34	4820	4815	5
Mansa	J-34	4750	4760	-10

Sirsa	J-34	4760	4730	30
Sri-Ganganagar	J-34	4465	4456	9.40
Hanumangarh	B.T. Cotton	4750	4750	Unch
Adilabad	>30mm	NA	NA	-
Warangal	>30mm	NA	NA	-
Guntur	>30mm	NA	NA	-
Bhainsa	>30mm	NA	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		3-May-14	2-May-14	
Amravati	Mech-1	32000	33000	-1000
Khandwa	Mech-1	0	NA	-
Khargaon	Mech-1	0	NA	-
Mahesana(Kadi)	B.T. Cotton	25000	20000	5000
Rajkot	B.T. Cotton	4400	3200	1200
Patan	B.T. Cotton	6226	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	340	170	170
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	39100	42500	-3400
Gondal	Shankar-6	1122	1065	57
Bijapur	Bunny	3271	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1112	NA	-
Abohar	J-34	NA	34	-
Muktsar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-



May 5th, 2014

Mansa	J-34	NA	NA	-
Sirsa	J-34	170	340	-170
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
				3-May-14	2-May-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39000	39000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39500	39500	Unch
J-34(202)	26mm	3.5 - 4.9	23	44300	44200	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40700	40700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	42600	42600	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43900	43900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44900	44900	Unch
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 02/5/2014

Cotlook Indices	Cents/Pound	Change
A-Index	95.3	Unch

USDA Cotton Spot Rates: As on 02/5/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.32	93.32	Nil
North Delta	89.32	91.82	598
South Delta	89.32	91.82	Nil
East TX-OK	84.25	86.5	Nil
West Texas	84.25	86.25	923
Desert SW	86.07	92.82	Nil
SJ Valley	86.82	97.47	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
May-14	94.44	94.47	93.00	94.07	-0.07
Jul-14	94.18	94.53	93.75	94.20	-0.09
Oct-14	83.60	84.22	83.60	84.22	+0.39
Dec-14	83.30	83.55	83.04	83.38	-0.02
Mar-15	82.78	82.78	82.47	82.71	+0.02
May-15	82.55	82.65	82.47	82.65	-0.02

Pakistan Cotton Spot rates: As on 2/5/2014 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6450	155	6605
Equivalent	40 Kgs	6912	155	7067

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