

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Monday.

Arrival stood higher at 95,200 bales today compared to 92,000 bales on Saturday.

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	6	980	993	978	985	1118	428	1291	-60

Spread	Apr-15		
Spot	130	--	--

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

*Updated at 5:30pm, 05 May, 2014

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)

*Updated at 5:30pm, 05 May, 2014

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-14	70	21330	21440	21320	21360	1517	-230	5991	-58
Jun-14	70	21620	21730	21610	21650	673	3	2808	415
Jul-14	100	21830	21960	21830	21900	261	60	1228	125

Spread	May-14	Jun-14	Jul-14	Aug-14
Spot	--			
May-14		-290		
Jun-14			-250	
Jul-14				--

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

*Updated at 5:30pm, 05 May, 2014

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		5-May-14	3-May-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	5050	5025	25
Khandwa	Mech-1	5200	NA	-
Khargaon	Mech-1	5200	NA	-
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	5650	5750	-100
Rajkot	B.T. Cotton	5575	5500	75
Patan	B.T. Cotton	NA	6350	-
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	5850	5800	50
Fatehabad	B.T. Cotton	5850	5800	50
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	5350	5300	50
Gondal	Shankar-6	5375	5345	30
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	NA	5579	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	5050	5000	50
	Lint	(Rs./Maunder of 37.32kg each)		
Abohar	J-34	4850	4810	40
Muktsar	J-34	4850	4815	35
Fazilika	J-34	4825	4825	Unch
Bhatinda	J-34	4860	4820	40
Mansa	J-34	4780	4750	30

Sirsa	J-34	4785	4760	25
Sri-Ganganagar	J-34	4465	4465	Unch
Hanumangarh	B.T. Cotton	4750	4750	Unch
Adilabad	>30mm	4456	NA	-
Warangal	>30mm	4529	NA	-
Guntur	>30mm	4534	NA	-
Bhainsa	>30mm	NA	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		5-May-14	3-May-14	
Amravati	Mech-1	34000	32000	2000
Khandwa	Mech-1	1800	NA	-
Khargaon	Mech-1	6000	NA	-
Mahesana(Kadi)	B.T. Cotton	35000	25000	10000
Rajkot	B.T. Cotton	5000	4400	600
Patan	B.T. Cotton	NA	6226	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	170	340	-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	47600	39100	8500
Gondal	Shankar-6	1447	1122	325
Bijapur	Bunny	NA	3271	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1727	1112	615
Abohar	J-34	NA	NA	-
Muktsar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-

Mansa	J-34	NA	NA	-
Sirsa	J-34	170	170	Unch
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 04/5/2014

Index	RMB/Ton	Change
CCIndex(328)	17465	-53
CCIndex(527)	16337	-16
CCIndex(229)	18351	-48

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 3/5/2014 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6500	155	6655
Equivalent	40 Kgs	6966	155	7121

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