

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Friday.

Arrival stood Unchanged at 97,000 bales today compared to 97,000 bales on Thursday.

In The News: Cotton Corporation of India (CCI) has invited bids for export sale of cotton for maximum quantities of 600 bales. Three varieties have been offered namely, S-6 of staple length 28 mm at Rajkot, BB PRM (MOD) of staple length 30 mm at Guntur and BB PRM (MOD) of staple length 30 mm at Rayagada. Variety wise Floor prices (US Cents/Pound, CNF Ex-Benapole) quoted are 102.95, 101.55 and 101.25 respectively.

Cotton export from India is likely to rise to 8.8 million bales (480-lbs) in 2013-14, which was earlier expected to be around 8 million bales, according to USDA.

The revised policy of China for importing cotton has affected India's cotton export drastically. Export of cotton yarn in the month of April has declined by 25% on weak demand and less lucrative export to China, driven by recently announced policy. As per the new policy, which came into effect from April 1st, 2014, government has lowered the auction bids of floor price to 17250 from 18000 Yuan per tonne.

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.

International Fundamentals:

Progress of cotton sowing in Pakistan has noticed good pace amid favorable weather conditions. Sowing has been completed in lower Sindh. In central region of Punjab, sowing has been started whereas it has been delayed by 2-3 in most of the other region.

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 firm in near term.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	0	976.5	978.5	971.5	974	569	-27	1430	49

Spread	Apr-15		
Spot	151	--	--

(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, 09 May, 2014

MCX 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)

*Updated at 5:30 pm, 09 May, 2014

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-14	-140	21110	21160	20970	20970	964	-251	5281	-85
Jun-14	-130	21390	21440	21250	21250	655	-101	3033	66
Jul-14	-180	21620	21660	21490	21490	92	-96	1383	38

Spread	May-14	Jun-14	Jul-14	Aug-14
Spot	--			
May-14		-280		
Jun-14			-240	
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, 09 May, 2014

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		9-May-14	8-May-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	5075	5100	-25
Khandwa	Mech-1	NR	NR	-
Khargaon	Mech-1	NR	NR	-
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	5500	5600	-100
Rajkot	B.T. Cotton	5625	5525	100
Patan	B.T. Cotton	6160	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	NA	5980	-
Fatehabad	B.T. Cotton	5915	5950	-35
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	5650	5650	Unch
Hubli	B.T. Cotton	NA	5310	-
	Kapas	(Rs./Qtl.)		
Ahmedabad	Shankar-6	5300	5400	-100
Gondal	Shankar-6	NA	5300	-
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	5429	5459	-30
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4900	5100	-200
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	4860	4850	10
Muktsar	J-34	4850	4875	-25
Fazilika	J-34	NA	4880	-
Bhatinda	J-34	4880	4880	Unch
Mansa	J-34	4850	4660	190
Sirsa	J-34	4800	4815	-15

Sri-Ganganagar	J-34	4512	4465	47
Hanumangarh	B.T. Cotton	4820	4810	10
Adilabad	>30mm	4456	4456	Unch
Warangal	>30mm	4576	4576	Unch
Guntur	>30mm	4545	4545	Unch
Bhainsa	>30mm	NA	NA	-

Cotton Arrivals at Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		9-May-14	8-May-14	
Amravati	Mech-1	38000	39500	-1500
Khandwa	Mech-1	NA	NR	-
Khargaoon	Mech-1	NA	NR	-
Mahesana(Kadi)	B.T. Cotton	25000	35000	-10000
Rajkot	B.T. Cotton	4600	4700	-100
Patan	B.T. Cotton	11003	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	NA	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	20	NA	-
Hubli	B.T. Cotton	NA	4	-
Ahmedabad	Shankar-6	47600	34000	13600
Gondal	Shankar-6	NA	1616	-
Bijapur	Bunny	994	3339	-2345
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	907	1712	-805
Abohar	J-34	NA	NA	-
Muktsar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Mansa	J-34	NA	NA	-
Sirsa	J-34	255	170	85



May 10th, 2014

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
				8-May-14	7-May-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40400	39700	700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40200	700
J-34(202)	26mm	3.5 - 4.9	23	44700	44900	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41000	41100	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	42900	43000	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44300	44300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45300	45300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	59500	59500	Unch

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 09/5/2014

Index	RMB/Ton	Change
CCIndex(328)	17472	1
CCIndex(527)	16353	1
CCIndex(229)	18337	-9

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

Cotlook Index: As on 08/5/2014

Cotlook Indices	Cents/Pound	Change
A-Index	93.8	-1.4

USDA Cotton Spot Rates: As on 08/5/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	89.05	91.8	Nil
North Delta	88.05	90.55	Nil
South Delta	88.05	90.55	Nil
East TX-OK	83	85.25	Nil
West Texas	83	85	1858
Desert SW	84.3	91.55	Nil
SJ Valley	86	96.2	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 08/5/2014

Contract	Open	High	Low	Close	Change
May-14	94.04	94.04	91.84	91.84	-1.86
Jul-14	92.56	94.27	92.27	93.05	1
Oct-14	84.8	84.81	84.44	84.44	-0.36
Dec-14	83.91	84.74	83.4	83.51	Unch
Mar-15	83.1	83.77	82.7	82.7	-0.43
May-15	83.03	83.03	82.51	82.51	-0.49

Pakistan Cotton Spot rates: As on 8/5/2014 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6700	155	6855
Equivalent	40 Kgs	7180	155	7335

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