

Domestic Fundamentals:

Market Outlook: Cotton market noticed mostly mixed tone on Thursday.

In The News: Export of cotton yarn from India is expected to be around 1,350 million kg valued USD 4.70 billion, for the financial year 2014. During the Initial 10 months alone i.e. April to January, India has exported around 1,082 million kg of cotton yarn valued USD 3.75 billion.

According to latest release by Cotton Association of India (CAI), cotton production in India stood 383.50 lakh bales (of 170 kg each) during current season ending September 2014. Production of cotton in Gujarat has been estimated around 120 lakh bales which was 83.25 lakh bales previous season. In Maharashtra, cotton production is estimated 77.25 lakh bales in 2013-14 which was 72.50 lakh bales in 2012-13. Arrivals till 30 April, 2014 stood 341.75 lakh bales.

Cotton arrival in India this season stood 341.75 lakh bales till April, which accounts 90% of the estimated crop for 2013-14, cotton Association of India said in its latest release.

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.

International Fundamentals:

Production of cotton in China is likely to be around 6.44 million tons, 23000 tons higher, which was projected earlier, as reported by Beijing Cotton Outlook (BCO) in its latest release. China cotton ending stock in 2014-15 is expected to be around 13.42 million tons compared to 13.13 million tons estimated earlier.

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 steady to weak in near term.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	-21.5	956.5	956.5	931	932.5	2,207	1873	1,232	1581

Spread	Apr-15		
Spot	137.5	--	--

(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, 15 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, 15 May, 2014

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-14	-210	20350	20370	20070	20090	1361	-32	4362	-230
Jun-14	-210	20640	20640	20330	20350	1362	103	3812	111
Jul-14	-170	20870	20870	20590	20630	243	83	1352	37

Spread	May-14	Jun-14	Jul-14	Aug-14
Spot	--			
May-14		-260		
Jun-14			-280	
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, 15 May, 2014

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		15-May-14	13-May-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4975	5025	-50
Khandwa	Mech-1	NR	NR	-
Khargaon	Mech-1	NR	NR	-
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	5450	5450	Unch
Rajkot	B.T. Cotton	NR	5350	-
Patan	B.T. Cotton	6000	5785	215
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	NR	NA	-
Fatehabad	B.T. Cotton	5800	5850	-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	5390	-
	Kapas	(Rs./Qtl.)		
Ahmedabad	Shankar-6	5250	5250	Unch
Gondal	Shankar-6	NA	NA	-
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	5433	5466	-33
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	5150	5000	150
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	4845	4850	-5
Muktsar	J-34	4860	4885	-25
Fazilika	J-34	4840	4850	-10
Bhatinda	J-34	4870	4875	-5
Mansa	J-34	NA	4850	-
Sirsa	J-34	4760	4800	-40
Sri-Ganganagar	J-34	4512	4512	Unch

Hanumangarh	B.T. Cotton	4770	4810	-40
Adilabad	>30mm	NA	4456	-
Warangal	>30mm	NA	4566	-
Guntur	>30mm	NA	4545	-
Bhainsa	>30mm	NA	NR	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		15-May-14	13-May-14	
Amravati	Mech-1	42000	43000	-1000
Khandwa	Mech-1	NR	NR	-
Khargaon	Mech-1	NR	NR	-
Mahesana(Kadi)	B.T. Cotton	25000	30000	-5000
Rajkot	B.T. Cotton	NA	4800	-
Patan	B.T. Cotton	1850	4165	-2315
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	NA	NA	-
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	16	-
Ahmedabad	Shankar-6	51000	47600	3400
Gondal	Shankar-6	NR	NR	-
Bijapur	Bunny	2347	2132	215
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1220	1247	-27
Abohar	J-34	NA	NA	-
Muktsar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Mansa	J-34	NA	NA	-
Sirsa	J-34	340	170	170
Sri-Ganganagar	J-34	NA	NA	-



Hanumangarh	B.T. Cotton	NA	NA	-
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Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				14-May-14	12-May-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39700	40400	-700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40200	40900	-700
J-34(202)	26mm	3.5 - 4.9	23	44300	44700	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40500	40800	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	42200	42600	-400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43800	44100	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45000	45100	-100
DCH-32(107)	34mm	3.0 - 3.8	33	59500	59500	Unch

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 14/5/2014

Index	RMB/Ton	Change
CCIndex(328)	17463	-2
CCIndex(527)	16344	-9
CCIndex(229)	18315	-8

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

Cotlook Index: As on 14/5/2014

Cotlook Indices	Cents/Pound	Change
A-Index	92.90	-0.10

USDA Cotton Spot Rates: As on 14/5/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	86.70	89.45	629
North Delta	85.70	88.20	NIL
South Delta	85.70	88.20	NIL
East TX-OK	80.75	83.00	NIL
West Texas	80.75	82.75	20
Desert SW	82.45	89.20	NIL
SJ Valley	83.20	93.85	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 14/5/2014

Contract	Open	High	Low	Close	Change
Jul-14	90.93	92.13	90.61	90.70	-0.23
Oct-14	83.91	83.98	82.75	82.75	-0.59
Dec-14	83.45	83.9	82.76	82.88	-0.57
Mar-15	82.87	83.08	82.08	82.1	-0.7
May-15	82.5	82.5	82.2	82.2	-0.52

Pakistan Cotton Spot rates: As on 14/5/2014 (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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