

**Domestic Fundamentals:**

**Market Outlook:** Cotton market noticed mostly weak tone on Friday.

**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	8	924	942	917	936	1853	-354	1898	25

Spread	Apr-15		
Spot	147	--	--

(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, 16 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, 16 May, 2014

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-14	120	19940	20170	19630	20090	1571	210	3982	-380
Jun-14	140	20220	20430	19900	20380	1485	123	3931	119
Jul-14	110	20410	20680	20150	20620	352	109	1370	18

Spread	May-14	Jun-14	Jul-14	Aug-14
Spot	--			
May-14		-290		
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, 16 May, 2014

**DOMESTIC PRICES AND ARRIVALS****Cotton Prices at Key Spot Market:**

Centre	Variety	Prices		Change
		16-May-14	15-May-14	
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Amravati	Mech-1	5000	4975	25
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Mahesana(Kadi)	B.T. Cotton	5400	5450	-50
Rajkot	B.T. Cotton	5415	NR	-
Patan	B.T. Cotton	5905	6000	-95
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	NR	-
Fatehabad	B.T. Cotton	5775	5800	-25
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	-
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Ahmedabad	Shankar-6	5175	5250	-75
Gondal	Shankar-6	NA	NA	-
	<b>Kapas</b>	<b>(Rs/Qtl)</b>		
Bijapur	Bunny	5083	5433	-350
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	5150	-
	<b>Lint</b>	<b>(Rs./Maund of 37.32kg each)</b>		
Abohar	J-34	4850	4845	5
Muktsar	J-34	4830	4860	-30
Fazilika	J-34	4850	4840	10
Bhatinda	J-34	4850	4870	-20
Mansa	J-34	NA	NA	-
Sirsa	J-34	4750	4760	-10
Sri-Ganganagar	J-34	4484	4512	Unch

Hanumangarh	B.T. Cotton	4750	4770	<b>-20</b>
Adilabad	>30mm	NA	NA	<b>Unch</b>
Warangal	>30mm	NA	NA	<b>Unch</b>
Guntur	>30mm	NA	NA	<b>Unch</b>
Bhainsa	>30mm	NA	NA	-

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		16-May-14	15-May-14	
Amravati	Mech-1	25000	42000	<b>-17000</b>
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
Mahesana(Kadi)	B.T. Cotton	25000	25000	<b>Unch</b>
Rajkot	B.T. Cotton	3000	NA	-
Patan	B.T. Cotton	2560	1850	<b>710</b>
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	NA	-
Ahmedabad	Shankar-6	42500	51000	<b>-8500</b>
Gondal	Shankar-6	NR	NR	-
Bijapur	Bunny	143	2347	<b>-2204</b>
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	1220	-
Abohar	J-34	NA	NA	-
Muktsar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Mansa	J-34	NA	NA	-
Sirsa	J-34	170	340	<b>-170</b>
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
				15-May-14	14-May-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39500	39700	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40000	40200	-200
J-34(202)	26mm	3.5 - 4.9	23	44100	44300	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40400	40500	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	42100	42200	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43700	43800	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45000	45000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	59500	59500	Unch

### INTERNATIONAL PRICES AND INDICES

#### China Cotton Index: As on 15/5/2014

Index	RMB/Ton	Change
CCIndex(328)	17428	-35
CCIndex(527)	16326	-18
CCIndex(229)	18290	-25

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

#### Cotlook Index: As on 15/5/2014

Cotlook Indices	Cents/Pound	Change
A-Index	92.7	-0.20

#### USDA Cotton Spot Rates: As on 15/5/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	86.36	89.11	NIL
North Delta	85.36	87.86	NIL
South Delta	85.36	87.86	NIL
East TX-OK	80.50	82.75	NIL
West Texas	80.50	82.50	789
Desert SW	82.11	88.86	NIL
SJ Valley	82.86	93.51	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 15/5/2014**

Contract	Open	High	Low	Close	Change
<b>Jul-14</b>	90.70	91.29	90.10	90.36	<b>-0.34</b>
<b>Oct-14</b>	82.36	82.40	82.36	82.39	<b>-0.36</b>
<b>Dec-14</b>	83.00	83.35	82.17	82.62	<b>-0.26</b>
<b>Mar-15</b>	82.42	82.50	81.50	81.91	<b>-0.19</b>
<b>May-15</b>	82.33	82.33	82.05	82.05	<b>-0.15</b>

**Pakistan Cotton Spot rates: As on 15/5/2014 (in Pakistan Rupees)**

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

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