

## Cotton Domestic Fundamentals:

- Cotton domestic prices noticed weak tone except slight firmness in Gondal and Fazilika markets.
- There is not much trading activity in the market around current levels.
- Cotton area may remain low this year in Madhya Pradesh and Maharashtra as farmers has diverted to soya crop as per reports from traders and farmers.
- Demand for good quality cotton arrivals lent some support to prices.
- Cotton kharif area is approximately 81.73 (Lakh Hectares) as compare to 46.61 (Lakh Hectares) last year which is approximately 75% higher than last year. .
- 38,000-40,000 bales of cotton have arrived across India. This is likely to remain steady to low as plantation activity is going on across cotton growing areas.

## Cotton International Fundamentals

- According to USDA, cotton production in 2013 remains unchanged at 13.5 million bales in its July supply and demand estimates.
- Cotton futures at NYMEX closed lower amid expected higher global output of cotton in the current year.
- Cotton prices in Pakistan noticed firm tone amid good buying from millers and tight supply in the ready market.
- Pakistan textile exports grew on good demand from US and European markets. The demand is likely to upset as economy is likely to dip.
- China cotton imports dip to 31% compared to the same time last year in May 2013.

**Outlook:** We expect domestic cotton prices to notice steady to weak tone in the near -term amid lack of demand in the ready market.

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

Contract	+/-	Open	High	Low	Close
Feb-14	-	-	-	-	-
Mar-14	-	-	-	-	-
Apr-14	-18.50	1040.00	1040.00	1022.00	1025

## Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	0	0
Mar-14	0	0	0	0
Apr-14	3144	867	3152	-47

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-		
Mar-14		-	-
Apr-14			95.00

**NB:** Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Soot- April

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

Contract	+/-	Open	High	Low	Close
Apr-14	-11.60	1013.60	1014.90	1003.00	1003.00
May-14	-18.90	1040.00	1040.00	1024.10	1025.50

## Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	3	8	52	0
May-14	142	18	400	-7

Spread	Apr-14	May-14
April-14	117	
May-14		94.50

**NB:** Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

**MCX Cotton Futures Closed (29 mm Variety): Prices in Bales**

Contract	% Change	Open	High	Low	Close
31-Jul-13	-1.35	19920	19920	19610	19720
31-Oct-13	-1.39	20780	20780	20500	20590
29-Nov-13	-1.42	20230	20270	20050	20080
31-Dec-13	-0.89	20100	20160	20000	20010

**Cotton Prices at Key Spot Markets**

Centre	Variety	Prices (Rs/Qtl)		Change
		12-7-2013	11-7-2013	
Amravati	Mech-1	5500	-	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	No Arrival	No Arrival	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	5730	5810	-80
Fazilika	B.T. Cotton	4600	4475	+125
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4300	4450	-150
Bhiwani*	B.T. Cotton	5250	5450	-200
Ahmedabad	Shankar-6	-	-	-
Gondal	Shankar-6	5735	5705	+30
Sri-Ganganagar	J-34	4520	4530	-10
Abohar	J-34	4605	4625	-20
Muktsar	J-34	4610	4625	-15

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		12-7-2013	11-7-2013	
Amravati	Mech-1	3000	-	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	No Arrival	No Arrival	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-

Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	500	600	-100
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	43	50	-7
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	No Arrival	No Arrival	-
Muktsar	J-34	No Arrival	No Arrival	-

\* New Crop

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength / GPT	Rs. Per Candy	Rs. Per Candy	Change
				11-7-2013	10-7-2013	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39800	39800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40800	40800	Unch
J-34(202)	26mm	3.5 - 4.9	23	42100	41900	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42700	42500	200
Shankar-6(105)	29mm	3.5 - 4.9	28	43200	43000	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44300	44100	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44900	44700	200
DCH-32(107)	34mm	3.0 - 3.8	33	52200	52000	200

**Cotlook Index: As on 11/7/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	93.95	+0.65

**China Cotton Index: As on 12/7/2013**

Index	RMB/Ton	Change
CCIndex(328)	19266	-7
CCIndex(527)	16925	-1
CCIndex(229)	20051	0

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

**USDA Cotton Spot Rates: As on 11/7/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.93	86.18	NIL
North Delta	82.18	84.68	NIL
South Delta	82.18	84.68	NIL
East TX-OK	80.50	83.25	NIL
West Texas	80.50	83.50	15
Desert SW	78.18	84.68	NIL
SJ Valley	79.18	89.83	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 11/7/2013**

Contract	Open	High	Low	Close	Change
13-Jul	87.36	87.82	85.18	85.18	-2.12
13-Oct	86.79	87.11	84.69	84.74	-2.05
13-Dec	85.51	85.73	83.45	83.58	-2.04
14-Mar	84.65	85.11	83.28	83.33	-1.76
14-May	84.27	84.54	83.17	83.19	-1.46
14-Jul	80.17	80.17	80.17	80.17	-0.94

**Pakistan Cotton Spot rates: As on 10/7/2013 (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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