

Cotton Domestic Fundamentals:

- Cotton domestic prices noticed weak tone except slight firmness in Fazilika markets.
- Higher kharif acreage till date added to the weak tone of the market.
- Lower stocks in the domestic market will support prices in the near -term.
- The Textiles Ministry has asked the Cotton Corporation of India to release procured cotton stocks in the market at prevailing market rates.
- Cotton kharif area is approximately 92.44 (Lakh Hectares) as compared to 65.22 (Lakh Hectares) 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 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 sideways to weak tone in the coming days.

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

Contract	+/-	Open	High	Low	Close
Feb-14	-	-	-	-	-
Mar-14	-	-	-	-	-
Apr-14	-6.00	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	-1807	3152	-67

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-		
Mar-14		-	-
Apr-14			101.00

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

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

Contract	+/-	Open	High	Low	Close
Apr-14	-15.50	1013.60	1014.90	1003.00	1003.00
May-14	-5.70	1040.00	1040.00	1024.10	1025.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	11	-10	52	0
May-14	160	-130	407	-7

Spread	Apr-14	May-14
April-14	127	
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	-0.41	19710	19770	19620	19630
31-Oct-13	-0.63	20540	20620	20360	20420
29-Nov-13	-0.9	20060	20120	19890	19910
31-Dec-13	-1.1	19910	20070	19790	19790

Cotton Prices at Key Spot Markets

Centre	Variety	Prices (Rs/Qtl)		Change
		13-Jul-13	12-Jul-13	
Amravati	Mech-1	5400	5500	-100
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	5705	5730	-25
Fazilika	B.T. Cotton	4605	4600	5
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4270	4300	-30
Bhiwani*	B.T. Cotton	5150	5250	-100
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	-	5735	-
Sri-Ganganagar	J-34	4525	4520	5
Abohar	J-34	4580	4605	-25
Muktsar	J-34	4580	4610	-30

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		13-Jul-13	12-Jul-13	
Amravati	Mech-1	2000	3000	-1000
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	450	500	-50
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	-
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
				12-7-2013	11-7-2013	
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	41900	42100	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42800	42700	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	43000	43200	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44100	44300	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44700	44900	-200
DCH-32(107)	34mm	3.0 - 3.8	33	52200	52200	Unch

Cotlook Index: As on 12/7/2013

Cotlook Indices	Cents/Pound	Change
A-Index	92.15	-1.80

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 12/7/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.88	86.13	NIL
North Delta	82.13	84.63	NIL
South Delta	82.13	84.63	NIL
East TX-OK	80.5	83.25	NIL
West Texas	80.5	83.5	NIL

Desert SW	78.13	84.63	NIL
SJ Valley	79.13	89.78	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 12/7/2013

Contract	Open	High	Low	Close	Change
13-Jul	85	85	84.42	85.13	-0.05
13-Oct	85	85.32	84.18	85.08	0.34
13-Dec	84	84.21	83.16	83.91	0.33
14-Mar	83	83.79	82.92	83.44	0.11
14-May	83	83.49	82.82	83.25	0.06
14-Jul	80	79.86	79.86	79.86	-0.31

Pakistan Cotton Spot rates: As on 12/7/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6550	155	6555
Equivalent	40 Kgs	7020	155	7121

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