

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Monday.
- Cotton Corporation of India, is to release the entire stock of 14 lakh bales (170kg each) of cotton in domestic market after the green signal given by Textiles Ministry.
- Lack of stocks in the ready market lent some support to the market.
- Higher acreage till date added to the weak tone of the market.
- According to Ministry of Agriculture, acreage under cotton till date is reported at 100.55 lakh hectares compared to 83.74 lakh hectares during the same period last year.
- According to trade sources, cotton season is almost to end with approximately 95% of crop arrival in market by mid of July.

Cotton International Fundamentals

- In U.S, cotton output is expected to be lower compared to last year due to drop in acreage and unfavorable weather conditions in major growing areas.
- Cotton futures at NYMEX closed higher amid dry weather forecast in the cotton growing regions.
- As per USDA report, world output is seen at 118.02 million bales, more than 117.6 bales estimated in June 2013.
- Pakistan textile exports grew on good demand from US and European markets. The demand is likely to upset as economy is likely to dip.

Outlook: We expect domestic cotton prices to notice sideways to weak tone amid lack of demand from the millers.

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

Contract	+/-	Open	High	Low	Close
Feb-14	-29.002	947.00	947.00	947.00	947.00
Mar-14					
Apr-14	-11.004	987.00	987.00	966.50	976.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14				
Mar-14				
Apr-14	3270	1489	4010	373

Spread	Feb-14	Mar-14	Apr-14
Feb-14	150.0		
Mar-14		1,097.0	
Apr-14			120.50

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	-18	960.10	965.00	951.00	956.00
May-14	-12.4	985.40	987.90	970.00	976.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	5	22	55	0
May-14	55	201	389	22

Spread	Apr-14	May-14
April-14	141.00	
May-14		120.50

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	19570	19750	19000	19660
31-Oct-13	0.99	20120	20390	19980	20320
29-Nov-13	1.17	19580	19850	19450	19810
31-Dec-13	1.12	19570	19850	19490	19810

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		22-Jul-13	20-Jul-13	
Amravati	Mech-1	5450	5350	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	5485	5510	-25
Fazilika	B.T. Cotton	-	4550	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4275	4300	-25
Bhiwani*	B.T. Cotton	5180	5200	-20
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5500	5500	Unch
Sri-Ganganagar	J-34	4480	4485	-5
Abohar	J-34	4610	4580	30
Muktsar	J-34	4620	4575	45

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		22-Jul-13	20-Jul-13	
Amravati	Mech-1	1000	500	500
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	675	275	400
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	63	117	-54
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
				20-7-2013	19-7-2013	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39400	39400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40400	Unch
J-34(202)	26mm	3.5 - 4.9	23	41500	41400	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41900	41900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	42500	42500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43100	43100	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44400	44400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	52200	52200	Unch

Cotlook Index: As on 19/7/2013

Cotlook Indices	Cents/Pound	Change
A-Index	92.15	+1.00

China Cotton Index: As on 22/7/2013

Index	RMB/Ton	Change
CCIndex(328)	19246	-10
CCIndex(527)	16907	-8
CCIndex(229)	20042	-1

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

USDA Cotton Spot Rates: As on 18/7/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
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	cents/lb.		bales
Southeast	83.24	86.49	147
North Delta	81.99	84.49	NIL
South Delta	81.99	84.49	NIL
East TX-OK	80.75	83.5	524
West Texas	80.75	83.75	NIL
Desert SW	77.99	84.49	NIL
SJ Valley	78.99	89.64	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 19/7/2013

Contract	Open	High	Low	Close	Change
Oct-13	85	86.52	85.22	86.52	1.53
Dec-13	85	86.39	84.68	86.18	1.33
Mar-14	83.52	84.68	83.52	84.52	1.14
May-14	83.18	83.81	83.11	83.69	0.93
Jul-14	82.66	83	82.56	83	1
Oct-14	79.06	79.06	79.06	79	Unch

Pakistan Cotton Spot rates: As on 18/7/2013 (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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