

## Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Wednesday
- 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	10.00	957.00	957.00	957.00	957.00
Mar-14					
Apr-14	-6.0004	980.00	980.00	972.00	975.50

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	1020.00	1070
Mar-14	0	0	1050.00	1049
Apr-14	3144	-1016	3152	-167

Spread	Feb-14	Mar-14	Apr-14
Feb-14	—		
Mar-14		—	
Apr-14			108.50

**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	-4.50	953.10	953.10	953.10	953.10
May-14	-6.70	978.60	980.70	973.90	976.70

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	170	-169	1262	-1209
May-14	18	63	53	-336

Spread	Apr-14	May-14
April-14	130.90	
May-14		107.30

**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	19590	19610	19500	19550
31-Oct-13	-1.19	20150	20160	19950	19960
29-Nov-13	-1.02	19660	19680	19500	19500
31-Dec-13	-0.96	19670	19700	19550	19550

**Cotton Prices at Key Spot Market**

Centre	Variety	Prices (Rs/Qtl)		Change
		24-Jul-13	23-Jul-13	
Amravati	Mech-1	-	5300	-
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	5420	5200	+220
Fazilika	B.T. Cotton	4570	4560	+10
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4350	4300	+50
Bhiwani*	B.T. Cotton	5250	5200	+50
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5285	5295	-10
Sri-Ganganagar	J-34	4480	4480	Unch
Abohar	J-34	4600	4600	Unch
Muktsar	J-34	4600	4580	+20

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		24-Jul-13	23-Jul-13	
Amravati	Mech-1	-	450	-
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	650	450	+200
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	61	63	-2
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
				23-7-2013	22-7-2013	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39100	39100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40100	40100	Unch
J-34(202)	26mm	3.5 - 4.9	23	41300	41500	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42000	42000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	42600	42600	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43400	43400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44400	44400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	52500	52500	Unch

**Cotlook Index: As on 23/7/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	93.50	Unch

**China Cotton Index: As on 24/7/2013**

Index	RMB/Ton	Change
CCIndex(328)	19241	-3
CCIndex(527)	16899	-3
CCIndex(229)	20040	-2

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

**USDA Cotton Spot Rates: As on 23/7/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.26	87.51	352
North Delta	83.26	85.76	440
South Delta	83.26	85.76	176
East TX-OK	82.00	84.75	NIL
West Texas	82.00	85.00	NIL
Desert SW	79.01	85.51	NIL
SJ Valley	80.01	90.66	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 23/7/2013**

Contract	Open	High	Low	Close	Change
Oct-13	86.25	86.25	85.1	86.01	-0.38
Dec-13	86.1	86.55	84.6	85.67	-0.52
Mar-14	84.98	85.07	83.24	84.04	-0.78
May-14	84.17	84.2	82.89	83.32	-0.76
Jul-14	83.45	83.45	81.98	82.79	-0.67
Oct-14	78.77	78.77	78.77	78.77	-0.49

**Pakistan Cotton Spot rates: As on 23/7/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6550	155	6705
Equivalent	40 Kgs	7020	155	7175

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