

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed down trend on Thursday.
- Cotton prices are expected to be range bounded for next couple of days amid good rainfall and lower export demand.
- 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					
Mar-14					
Apr-14	-14.00	975.504	976.00	955.00	961.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	0	1020.00	1070
Mar-14	0	0	1050.00	1049
Apr-14	3144	2256	3152	105

Spread	Feb-14	Mar-14	Apr-14
Feb-14	—		
Mar-14		—	
Apr-14			117.00

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	-12.10	941	941.00	941.00	941.00
May-14	-13.10	966	976.80	958.00	963.40

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	1	0	53	0
May-14	81	190	389	-6

Spread	Apr-14	May-14
April-14	137.00	
May-14		114.60

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	-1.28	19510	19550	19160	19310
31-Oct-13	-1.45	19970	19970	19590	19700
29-Nov-13	-1.43	19490	19500	19110	19270
31-Dec-13	-1.48	19550	19550	19160	19300

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		25-Jul-13	24-Jul-13	
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	5390	5420	-30
Fazilika	B.T. Cotton	4525	4570	-45
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4350	4350	Unch
Bhiwani*	B.T. Cotton	5230	5250	-20
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5120	5285	
Sri-Ganganagar	J-34	No Arrival	4480	-
Abohar	J-34	4575	4600	Unch
Muktsar	J-34	4580	4600	-20

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		25-Jul-13	24-Jul-13	
Amravati	Mech-1	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	650	-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	189	61	-
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
				24-7-2013	23-7-2013	
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	41300	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42000	42000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	42500	42600	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43200	43400	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44200	44400	-200
DCH-32(107)	34mm	3.0 - 3.8	33	52500	52500	Unch

Cotlook Index: As on 24/7/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.20	-0.30

China Cotton Index: As on 25/7/2013

Index	RMB/Ton	Change
CCIndex(328)	19239	-2
CCIndex(527)	16898	-1
CCIndex(229)	20038	-2

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

USDA Cotton Spot Rates: As on 24/7/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.41	87.66	352
North Delta	83.41	85.91	NIL
South Delta	83.41	85.91	NIL
East TX-OK	82.00	84.75	NIL
West Texas	82.00	85.00	46
Desert SW	79.16	85.66	NIL
SJ Valley	80.16	90.81	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 24/7/2013

Contract	Open	High	Low	Close	Change
Oct-13	86.16	86.16	86.16	86.16	0.15
Dec-13	85.52	86.13	84.89	85.74	0.07
Mar-14	84.25	84.46	83.3	84.18	0.14
May-14	83.52	83.66	82.76	83.55	0.23
Jul-14	82.95	83.2	82.73	83.16	0.37
Oct-14	79.1	79.1	79.1	79.1	0.33

Pakistan Cotton Spot rates: As on 24/7/2013 (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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