

## Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed trend on Friday.
- According to the news sources, the price of Surabi cotton declined Rs. 500/Quintal on Wednesday
- 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.

## 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	3.00	938.00	953.00	938.00	950.00
Mar-14					
Apr-14	28.50	959.00	987.50	955.00	987.00

### 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			96.00

**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	23.00	925.00	968.00	925.00	964.00
May-14	28.80	960.60	989.00	958.20	989.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	1	15	53	-3
May-14	271	10	395	1

Spread	Apr-14	May-14
April-14	—	
May-14		94.00

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

Contract	% Change	Open	High	Low	Close
31-Jul-13	0.83	19290	19570	19160	19420
31-Oct-13	-0.36	19620	19780	19310	19600
29-Nov-13	0.05	19210	19320	18960	19270
31-Dec-13	0	19230	19350	19010	19300

**Cotton Prices at Key Spot Market**

Centre	Variety	Prices (Rs/Qtl)		Change
		26-Jul-13	25-Jul-13	
Amravati	Mech-1	5300	5500	-200
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	5415	5390	-25
Fazilika	B.T. Cotton	-	4525	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4350	4350	Unch
Bhiwani*	B.T. Cotton	5250	5230	+20
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5435	5120	+315
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	4550	4575	-25
Muktsar	J-34	4575	4580	-5

\* New Crops

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		25-Jul-13	24-Jul-13	
Amravati	Mech-1	250	1000	-750
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	150	450	<b>-300</b>
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	22	189	<b>-167</b>
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
				25-7-2013	24-7-2013	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38600	39100	<b>-500</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39600	40100	<b>-500</b>
J-34(202)	26mm	3.5 - 4.9	23	41200	41300	<b>-100</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42000	42000	<b>Unch</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	42400	42500	<b>-100</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43200	43200	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44200	44200	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	52200	52500	<b>-300</b>

**Cotlook Index: As on 25/7/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	93.20	<b>Unch</b>

**China Cotton Index: As on 26/7/2013**

Index	RMB/Ton	Change
CCIndex(328)	19232	<b>-7</b>
CCIndex(527)	16892	<b>-6</b>
CCIndex(229)	20036	<b>-2</b>

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

**USDA Cotton Spot Rates: As on 25/7/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.44	87.69	NIL
North Delta	83.44	85.94	88
South Delta	83.44	85.94	NIL
East TX-OK	82.00	84.75	NIL
West Texas	82.00	85.00	NIL
Desert SW	79.19	85.69	NIL
SJ Valley	80.19	90.84	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 25/7/2013**

Contract	Open	High	Low	Close	Change
Oct-13	86.37	86.37	86.19	86.19	+0.03
Dec-13	85.73	86.35	84.97	85.99	+0.25
Mar-14	84.37	84.62	83.46	84.26	+0.08
May-14	83.73	83.99	82.84	83.62	+0.07
Jul-14	82.28	83.63	82.47	83.19	+0.03
Oct-14	79.12	79.12	79.12	79.12	+0.02

**Pakistan Cotton Spot rates: As on 25/7/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6400	155	6555
Equivalent	40 Kgs	6859	155	7014

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