

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Saturday.
- 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	0.00		946.50	946.50	946.50
Mar-14	-13.003		972.00	972.00	972.00
Apr-14	-13.004	987.00	987.00	969.00	972.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	9	0	1020.00	1070
Mar-14	0	0	1050.00	1049
Apr-14	3144	-3677	3152	-12

Spread	Feb-14	Mar-14	Apr-14
Feb-14	144.5		
Mar-14		119.0	
Apr-14			119.00

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	-5.6	959.90	959.90	950.10	955.00
May-14	-12.7	983.70	984.20	970.30	973.10

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	16	-14	50	0
May-14	281	-116	394	3

Spread	Apr-14	May-14
April-14	—	
May-14		117.90

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
		27-Jul-13	26-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	5455	5415	+40
Fazilika	B.T. Cotton	-	4525	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4350	4350	Unch
Bhiwani*	B.T. Cotton	5270	5250	+20
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5390	5435	+45
Sri-Ganganagar	J-34	4485	No Arrival	-
Abohar	J-34	4435	4550	-115
Muktsar	J-34	4525	4575	-50

* New Crops

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		27-Jul-13	26-Jul-13	
Amravati	Mech-1	-	250	
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	150	+300
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	32	22	+10
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
				26-7-2013	25-7-2013	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38600	38600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39600	39600	Unch
J-34(202)	26mm	3.5 - 4.9	23	41000	41200	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42000	42000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	42200	42400	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43200	43200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44200	44200	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	52000	52200	-200

Cotlook Index: As on 26/7/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.45	+0.25

China Cotton Index: As on 26/7/2013

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

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

USDA Cotton Spot Rates: As on 26/7/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.62	86.87	NIL
North Delta	82.62	85.12	NIL
South Delta	82.62	85.12	NIL
East TX-OK	81.00	83.75	NIL
West Texas	81.00	84.00	355
Desert SW	78.37	84.87	NIL
SJ Valley	79.37	90.02	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 26/7/2013

Contract	Open	High	Low	Close	Change
Oct-13	86.34	86.34	85.14	85.37	-0.82
Dec-13	85.99	86.31	84.76	85.12	-0.87
Mar-14	84.11	84.54	83.07	83.40	-0.86
May-14	83.06	83.34	82.46	82.86	-0.76
Jul-14	82.56	83.80	82.04	82.51	-0.68
Oct-14	78.39	79.39	78.39	78.39	-0.73

Pakistan Cotton Spot rates: As on 26/7/2013 (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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