

## Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish tone on Monday.
- According to the news sources, the price of Surabi cotton declined Rs. 500/Quintal last week.
- 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.

## 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	-19.502	927.00	927.00	927.00	927.00
Mar-14					
Apr-14	-13.004	969.00	971.00	958.00	959.00

### 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	342	3152	234

Spread	Feb-14	Mar-14	Apr-14
Feb-14	155.0		
Mar-14		—	
Apr-14			123.00

**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	951.00	951.00	943.00	943.00
May-14	-13.1	967.60	972.00	960.00	960.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	2	8	50	2
May-14	165	-41	391	-6

Spread	Apr-14	May-14
April-14	139.00	
May-14		122.00

**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	-0.26	19430	19440	19310	19380
31-Oct-13	-0.92	19510	19510	19320	19350
29-Nov-13	-0.78	19110	19150	19020	19050
31-Dec-13	-0.94	19160	19160	19050	19050

**Cotton Prices at Key Spot Market**

Centre	Variety	Prices (Rs/Qtl)		Change
		29-Jul-13	27-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	5410	5455	-45
Fazilika	B.T. Cotton	4540	4540	Unch
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4300	4350	-50
Bhiwani*	B.T. Cotton	5200	5270	-70
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5445	5390	55
Sri-Ganganagar	J-34	4430	4485	-55
Abohar	J-34	4525	4435	90
Muktsar	J-34	4525	4525	Unch

\* New Crops

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		29-Jul-13	27-Jul-13	
Amravati	Mech-1	1500	-	-
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	300	450	-150

Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	No Arrival	No Arrival	No Arrival
Ahmedabad	Shankar-6	No Arrival	No Arrival	No Arrival
Gondal	Shankar-6	1051	32	1019
Sri-Ganganagar	J-34	No Arrival	No Arrival	No Arrival
Abohar	J-34	No Arrival	No Arrival	No Arrival
Muktsar	J-34	No Arrival	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 29/7/2013**

Index	RMB/Ton	Change
CCIndex(328)	19229	-3
CCIndex(527)	16887	-5
CCIndex(229)	20034	-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
<b>Oct-13</b>	86.34	86.34	85.14	85.37	<b>-0.82</b>
<b>Dec-13</b>	85.99	86.31	84.76	85.12	<b>-0.87</b>
<b>Mar-14</b>	84.11	84.54	83.07	83.40	<b>-0.86</b>
<b>May-14</b>	83.06	83.34	82.46	82.86	<b>-0.76</b>
<b>Jul-14</b>	82.56	83.80	82.04	82.51	<b>-0.68</b>
<b>Oct-14</b>	78.39	79.39	78.39	78.39	<b>-0.73</b>

**Pakistan Cotton Spot rates: As on 27/7/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	6500	155	6655
<b>Equivalent</b>	40 Kgs	6966	155	7121

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