

## Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Tuesday.
- 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	-11.002	940.00	949.00	932.00	935.50
Mar-14	-10.503	958.00	958.00	935.00	950.00
Apr-14	7.50	956.50	969.50	953.00	968.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	5	0	1020.00	1070
Mar-14	0	0	1050.00	1049
Apr-14	3144	349	3152	-74

Spread	Feb-14	Mar-14	Apr-14
Feb-14	143.5		
Mar-14		129.0	
Apr-14			111.00

**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
<b>Apr-14</b>	-0.6	939.00	949.00	938.10	946.00
<b>May-14</b>	6.6	959.80	971.00	955.00	969.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
<b>Apr-14</b>	10	40	52	27
<b>May-14</b>	124	42	397	13

Spread	Apr-14	May-14
<b>April-14</b>	133.00	
<b>May-14</b>		110.00

**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	-0.62	19350	19370	19270	19270
31-Oct-13	1.14	19360	19620	19090	19600
29-Nov-13	1.05	19070	19290	18830	19260
31-Dec-13	1.05	19020	19300	18850	19270

**Cotton Prices at Key Spot Market**

Centre	Variety	Prices (Rs/Qtl)		Change
		30-Jul-13	29-Jul-13	
Amravati	Mech-1	5250	5500	-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	5395	5410	-15
Fazilika	B.T. Cotton		4540	
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4350	4300	+50
Bhiwani*	B.T. Cotton	5270	5200	+70
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5330	5445	-115
Sri-Ganganagar	J-34	4430	4430	Unch
Abohar	J-34	4515	4525	-10
Muktsar	J-34	4515	4525	-10

\* New Crops

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		30-Jul-13	29-Jul-13	
Amravati	Mech-1	400	1500	-1100
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	100	300	-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	44	1051	<b>-1007</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
				29-7-2013	27-7-2013	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38700	38900	<b>-200</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39700	39900	<b>-200</b>
J-34(202)	26mm	3.5 - 4.9	23	40800	40900	<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	42200	42200	<b>Unch</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	52000	52000	<b>Unch</b>

**Cotlook Index: As on 29/7/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	92.55	<b>-0.90</b>

**China Cotton Index: As on 30/7/2013**

Index	RMB/Ton	Change
CCIndex(328)	19226	<b>-3</b>
CCIndex(527)	16886	<b>-1</b>
CCIndex(229)	20031	<b>-3</b>

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

**USDA Cotton Spot Rates: As on 29/7/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.10	86.35	1313
North Delta	82.10	84.60	28
South Delta	82.10	84.60	NIL
East TX-OK	80.50	83.25	NIL
West Texas	80.50	83.50	615
Desert SW	77.85	84.35	NIL
SJ Valley	78.85	89.50	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 29/7/2013**

Contract	Open	High	Low	Close	Change
Oct-13	85.56	85.56	84.85	84.85	-0.52
Dec-13	85	86	84.56	84.71	-0.41
Mar-14	84	84.34	82.67	82.71	-1
May-14	83	82.95	82.08	82.12	-0.74
Jul-14	82	82.45	81.67	81.68	-0.83
Oct-14	77.81	77.81	77.81	77.81	-0.58

**Pakistan Cotton Spot rates: As on 29/7/2013 (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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