

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Wednesday.
- 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	4.50	948.00	950.00	930.00	945.00
Mar-14	-1.0003	940.00	945.00	940.00	945.00
Apr-14	4.50	970.00	979.00	966.00	972.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	16	0	1020.00	1070
Mar-14	21	0	1050.00	1049
Apr-14	3144	661	3152	118

Spread	Feb-14	Mar-14	Apr-14
Feb-14	127.0		
Mar-14		127.0	
Apr-14			99.50

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	9.7	950.00	956.00	948.50	956.00
May-14	5.6	970.50	980.00	968.00	974.30

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	50	-35	79	0
May-14	166	11	384	5

Spread	Apr-14	May-14
April-14	116.00	
May-14		97.70

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	1.19	19340	19740	19300	19580
31-Oct-13	1.17	19690	19860	19690	19810
29-Nov-13	0.78	19370	19470	19350	19420
31-Dec-13	0.73	19400	19480	19370	19430

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		31-Jul-13	30-Jul-13	
Amravati	Mech-1	5600	5250	350
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	5360	5395	-35
Fazilika	B.T. Cotton	4510	4540	-30
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4400	4350	50
Bhiwani*	B.T. Cotton	5300	5270	30
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5310	5330	-20
Sri-Ganganagar	J-34	4420	4430	-10
Abohar	J-34	4520	4515	5
Muktsar	J-34	-	4515	-

* New Crops

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		31-Jul-13	30-Jul-13	
Amravati	Mech-1	1000	400	600
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	350	100	250

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	30	44	-14
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
				30-Jul-13	29-7-2013	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38700	38700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39700	39700	Unch
J-34(202)	26mm	3.5 - 4.9	23	40700	40800	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41900	42000	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	42100	42200	-100
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	52000	Unch

Cotlook Index: As on 30/7/2013

Cotlook Indices	Cents/Pound	Change
A-Index	92.05	-0.50

China Cotton Index: As on 31/7/2013

Index	RMB/Ton	Change
CCIndex(328)	19222	-4
CCIndex(527)	16885	-1
CCIndex(229)	20031	Unch

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

USDA Cotton Spot Rates: As on 30/7/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.73	86.98	NIL
North Delta	82.73	85.23	NIL
South Delta	82.73	85.23	NIL
East TX-OK	81.25	84.00	NIL
West Texas	81.25	84.25	14
Desert SW	78.48	84.98	NIL
SJ Valley	79.48	90.13	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 30/7/2013

Contract	Open	High	Low	Close	Change
Oct-13	85.16	85.52	85.09	85.48	0.63
Dec-13	84.88	86.24	84.65	85.14	0.43
Mar-14	83	84.29	82.75	83.54	0.83
May-14	82.38	83.64	82.38	83.03	0.91
Jul-14	82.01	83.15	82.01	82.57	0.89
Oct-14	78.7	78.7	78.7	78.7	0.89

Pakistan Cotton Spot rates: As on 30/7/2013 (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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