

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Thursday.
- 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					
Mar-14					
Apr-14	-6	972.00	976.00	968.00	969.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	13	0	1020.00	1070
Mar-14	5	0	1050.00	1049
Apr-14	3144	-835	3152	-262

Spread	Feb-14	Mar-14	Apr-14
Feb-14	—		
Mar-14		—	
Apr-14			106.00

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	-4.1	944.00	948.00	944.00	948.00
May-14	-6.6	970.00	976.60	969.70	970.10

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	15	-13	79	0
May-14	177	-44	379	-8

Spread	Apr-14	May-14
April-14	127.00	
May-14		104.90

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	-0.76	19780	19900	19630	19670
31-Oct-13	-0.98	19370	19490	19240	19260
29-Nov-13	-0.36	19450	19490	19240	19360
31-Dec-13	-	19640	19650	19500	19520

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		01-Aug-13	31-Jul-13	
Amravati	Mech-1	-	5600	-
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	5375	5360	+15
Fazilika	B.T. Cotton	4540	4510	+30
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4400	4400	Unch
Bhiwani*	B.T. Cotton	5250	5300	-50
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5250	5310	-60
Sri-Ganganagar	J-34	4460	4420	+40
Abohar	J-34	4575	4520	+55
Muktsar	J-34	4520	-	-

* New Crops

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		01-Aug-13	31-Jul-13	
Amravati	Mech-1	-	1000	-
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	101	350	-249

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	66	30	+36
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
				31-Jul-13	30-Jul-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38400	38700	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39400	39700	-300
J-34(202)	26mm	3.5 - 4.9	23	40900	40700	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41900	41900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	42100	42100	Unch
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 31/7/2013

Cotlook Indices	Cents/Pound	Change
A-Index	92.50	+0.45

China Cotton Index: As on 01/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19217	-5
CCIndex(527)	16885	Unch
CCIndex(229)	20031	Unch

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

USDA Cotton Spot Rates: As on 31/7/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.88	87.13	NIL
North Delta	82.88	85.38	NIL
South Delta	82.88	85.38	NIL
East TX-OK	81.5	84.25	NIL
West Texas	81.5	84.5	353
Desert SW	78.63	85.13	NIL
SJ Valley	79.63	90.28	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 31/7/2013

Contract	Open	High	Low	Close	Change
Oct-13	85.55	85.63	85.18	85.63	0.15
Dec-13	85.19	85.5	84.72	85.18	0.04
Mar-14	83.4	83.67	83.29	83.53	-0.01
May-14	83.09	83.2	82.89	82.98	-0.05
Jul-14	82.48	82.82	82.3	82.53	-0.04
Oct-14	78.44	78.44	78.44	78.44	-0.26

Pakistan Cotton Spot rates: As on 31/7/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	6450	155	6605	6450
Equivalent	6912	155	7067	6912

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2013 Indian Agribusiness Systems Pvt Ltd.