

## Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Saturday.
- Government of India has relaxed the restriction on the export of cotton by Cotton Corporation of India
- Maharashtra and Andhra Pradesh may face fall in the crop yield this year due to excess rainfall.
- Cotton Area sown till date is approximately 108.52 hectares compared to previous year's 101.12 lakh hectares which are 7.3% higher than last year.
- According to the news sources, the price of Surabi cotton declined Rs. 500/Quintal last week.
- 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.

## Cotton International Fundamentals

- World cotton stockpiles in July 2014 would be 19.81 million metric tons, 7% above of 18.51 million, which was forecasted last month for the same period
- 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.
- 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 bullish, amid higher exports and crop damage.

### NCDEX Kapas Futures Closed: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-14	8.5	952.00	952.00	952.00	952.00
Mar-14	0		944.00	944.00	944.00
Apr-14	0.5	970.00	994.50	967.00	985.50

### 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	146	3152	42

Spread	Feb-14	Mar-14	Apr-14
Feb-14	133.0		
Mar-14		141.0	
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
<b>Apr-14</b>	8.7	969.50	969.50	960.00	962.00
<b>May-14</b>	1.4	985.00	995.00	983.60	987.30

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
<b>Apr-14</b>	13	-1	79	0
<b>May-14</b>	176	-108	384	9

Spread	Apr-14	May-14
<b>April-14</b>	123.00	
<b>May-14</b>		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	1.27	19730	19950	19700	19940
31-Oct-13	0.98	19340	19480	19290	19480
29-Nov-13	0.88	19350	19480	19310	19480
31-Dec-13	-0.1	19500	19570	19410	19570

**Cotton Prices at Key Spot Market**

Centre	Variety	Prices (Rs/Qtl)		Change
		03-Aug-13	02-Aug-13	
Amravati	Mech-1	5250-5500	5250-5500	Unch
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	5425	5430	-5
Fazilika	B.T. Cotton	4600	4550	+50
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4500	4400	+100
Bhiwani*	B.T. Cotton	5350	5270	+80
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5475	-	-
Sri-Ganganagar	J-34	4460	4480	-20
Abohar	J-34	4630	4580	+50
Muktsar	J-34	4610	4580	+30

\* New Crops

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		03-Aug-13	02-Aug-13	
Amravati	Mech-1	1000	No Arrival	-
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	5	80	-75

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	18	-	-
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
				02-Aug-13	01-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38400	38400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39400	39400	Unch
J-34(202)	26mm	3.5 - 4.9	23	41100	41000	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42300	41900	+400
Shankar-6(105)	29mm	3.5 - 4.9	28	42600	42400	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43500	43400	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44500	44400	+100
DCH-32(107)	34mm	3.0 - 3.8	33	52000	52000	Unch

**Cotlook Index: As on 02/8/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	91.15	+0.05

**China Cotton Index: As on 02/8/2013**

Index	RMB/Ton	Change
CCIndex(328)	19220	+3
CCIndex(527)	16882	-3
CCIndex(229)	20028	-3

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

**USDA Cotton Spot Rates: As on 02/8/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.82	87.07	401
North Delta	82.57	85.07	NIL
South Delta	82.57	85.07	NIL
East TX-OK	81	83.75	NIL
West Texas	81	84	381
Desert SW	78.32	84.82	NIL
SJ Valley	79.32	89.97	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 02/8/2013**

Contract	Open	High	Low	Close	Change
Oct-13	85.55	85.73	85.08	85.32	-0.56
Dec-13	85.46	85.48	84.75	84.98	-0.45
Mar-14	83.32	83.58	82.85	83.17	-0.41
May-14	82.27	82.94	82.27	82.76	-0.29
Jul-14	82.28	82.6	82.18	82.38	-0.22
Oct-14	78.26	78.26	78.26	78.26	-0.22

**Pakistan Cotton Spot rates: As on 02/8/2013 (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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