

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Monday.
- Cotton is ruling higher in north and west India, whereas it is steady in south India.
- 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.
- 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	960.50	952.00	960.50
Mar-14					
Apr-14	-6	984.00	1001.00	980.50	980.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	2	0	1020.00	1070
Mar-14	0	0	1050.00	1049
Apr-14	3144	1128	3152	122

Spread	Feb-14	Mar-14	Apr-14
Feb-14	137.5		
Mar-14		—	
Apr-14			117.50

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	2	964.00	964.00	964.00	964.00
May-14	-6.3	988.00	1001.80	981.00	981.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	13	-12	79	0
May-14	176	194	384	94

Spread	Apr-14	May-14
April-14	134.00	
May-14		117.00

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	0.55	20070	20430	20070	20200
31-Oct-13	0.36	19640	19890	19640	19660
29-Nov-13	0.31	19650	19870	19640	19650
31-Dec-13	0.2	19780	19940	19730	19730

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		5-Aug-13	3-Aug-13	
Amravati	Mech-1	5400	5250-5500	-
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	5490	5425	65
Fazilika	B.T. Cotton	4640	4600	40
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4400	4500	-100
Bhiwani*	B.T. Cotton	4250	5350	-100
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5315	5475	-160
Sri-Ganganagar	J-34	4600	4560	40
Abohar	J-34	4680	4630	50
Muktsar	J-34	4670	4610	60

* New Crops

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		5-Aug-13	3-Aug-13	
Amravati	Mech-1	1000	1000	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	325	5	320

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	18	48
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
				03-Aug-13	02-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38300	38400	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39300	39400	-100
J-34(202)	26mm	3.5 - 4.9	23	41500	41100	+400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42600	42300	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	43000	42600	+400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43800	43500	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44800	44500	+300
DCH-32(107)	34mm	3.0 - 3.8	33	52500	52000	+500

Cotlook Index: As on 02/8/2013

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

China Cotton Index: As on 05/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19217	-3
CCIndex(527)	16882	Unch
CCIndex(229)	20027	-1

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 03/8/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6550	155	6705
Equivalent	40 Kgs	7020	155	7175

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