

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed uptrend on Tuesday.
- Cotton is getting higher momentum in south India too.
- Cotton ruled higher in north and west India, whereas it was steady in south India on Monday.
- 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	-9.5	948.00	975.00	946.50	946.50
Mar-14					
Apr-14	-3.5	981.00	990.00	976.00	981.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	2	0	1020	1070
Mar-14	0	0	1050.00	1049
Apr-14	3144	-1481	3152	-29

Spread	Feb-14	Mar-14	Apr-14
Feb-14	180.5		
Mar-14		1127	
Apr-14			146

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	-8.5	958.00	962.90	955.50	955.50
May-14	-0.4	985.50	988.50	976.50	982.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Apr-14	1	5	79	-2
May-14	370	-225	290	15

Spread	Apr-14	May-14
April-14	171.5	
May-14		144.5

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	-0.1	20280	20380	20080	20210
31-Oct-13	-0.1	19740	19820	19540	19650
29-Nov-13	-0.05	19710	19820	19530	19650
31-Dec-13	-0.25	19810	19880	19610	19750

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		6-Aug-13	5-Aug-13	
Amravati	Mech-1	5500	5400	100
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	5635	5490	145
Fazilika	B.T. Cotton	4650	4640	10
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4350	4400	-50
Bhiwani*	B.T. Cotton	5200	5250	-50
Sirsa	B.T. Cotton	4610	4600	10
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5355	5315	40
Sri-Ganganagar	J-34	4620	4600	20
Abohar	J-34	4700	4680	20
Muktsar	J-34	4700	4670	30

* New Crops

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		6-Aug-13	5-Aug-13	
Amravati	Mech-1	1200	1000	200
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	210	325	-115
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	No Arrival	No Arrival	-
Sirsa	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	25	66	-41
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
				05-Aug-13	03-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38300	38300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39300	39300	Unch
J-34(202)	26mm	3.5 - 4.9	23	41800	41500	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42900	42600	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	43500	43000	+500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44200	43800	+400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45000	44800	+200
DCH-32(107)	34mm	3.0 - 3.8	33	53000	52500	+500

Cotlook Index: As on 05/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.60	-0.55

China Cotton Index: As on 06/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19217	Unch
CCIndex(527)	16880	-2
CCIndex(229)	20027	Unch

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

USDA Cotton Spot Rates: As on 05/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.9	87.15	NIL
North Delta	82.65	85.15	NIL
South Delta	82.65	85.15	NIL
East TX-OK	81	83.75	NIL
West Texas	81	84	156
Desert SW	78.4	84.9	NIL
SJ Valley	79.4	90.05	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 05/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	85.25	85.77	85.25	85.4	0.08
Dec-13	85.03	85.89	84.91	85.2	0.22
Mar-14	83.41	83.95	83.18	83.45	0.28
May-14	83	83.5	82.8	83.04	0.28
Jul-14	82.86	83.1	82.48	82.68	0.3
Oct-14	78.48	78.48	78.48	78.48	0.22

Pakistan Cotton Spot rates: As on 05/8/2013 (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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