

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed uptrend on Wednesday.
- 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	1.5	953.50	958.50	930.50	958.50
Mar-14	0	0	0	0	0
Apr-14	13.5	982.00	997.00	981.00	996.00

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	162.5		
Mar-14		—	
Apr-14			125

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
Mar-14	6.60	957.00	965.00	953.60	965.00
Apr-14	14.90	988.00	998.50	985.00	998.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	8	2	77	0
Apr-14	378	233	243	-32

Spread	Apr-14	May-14
Mar-14	156	
Apr-14		123

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	1.53	20260	20570	20230	20540
31-Oct-13	1.78	19770	20050	19670	20020
29-Nov-13	1.47	19730	20000	19670	19960
31-Dec-13	1.16	19780	20080	19780	20030

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		7-Aug-13	6-Aug-13	
Amravati	Mech-1	5550	5500	50
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	5605	5635	-30
Fazilika	B.T. Cotton	4690	4650	40
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4550	4350	200
Bhiwani*	B.T. Cotton	5350	5200	150
Sirsa	B.T. Cotton	4650	4610	40
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5185	5355	-170
Sri-Ganganagar	J-34	4650	4620	30
Abohar	J-34	4725	4700	25
Muktsar	J-34	4725	4700	25

* New Crops

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		7-Aug-13	6-Aug-13	
Amravati	Mech-1	1400	1200	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	175	210	-35
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	27	25	2
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
				06-Aug-13	05-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	42000	41800	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42900	42900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	43500	43500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44500	44200	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45000	45000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	53000	53000	Unch

Cotlook Index: As on 06/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.80	+0.20

China Cotton Index: As on 07/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19211	-6
CCIndex(527)	16878	-2
CCIndex(229)	20023	-4

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

USDA Cotton Spot Rates: As on 06/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.32	87.57	NIL
North Delta	83.07	85.57	NIL
South Delta	83.07	85.57	NIL
East TX-OK	81.5	83.25	879
West Texas	81.5	84.5	NIL
Desert SW	78.82	85.32	NIL
SJ Valley	79.82	90.47	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 06/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	85.75	85.82	85.75	85.82	0.42
Dec-13	85.14	85.8	84.85	85.69	0.49
Mar-14	83.5	83.96	83.03	83.88	0.43
May-14	83.07	83.63	82.94	83.55	0.51
Jul-14	82.74	83.3	82.71	83.16	0.48
Oct-14	78.99	78.99	78.99	78.99	0.51

Pakistan Cotton Spot rates: As on 06/8/2013 (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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