

## Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed uptrend on Thursday.
- Cotton is gained higher momentum in south India too on Tuesday.
- 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	960.00	960.00	960.00	960.00
Mar-14	17.00	974	974	974	974
Apr-14	8	998.00	1007.50	996.00	1003.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	-9	14	-1
Mar-14	1	1	3	0
Apr-14	4,609	799	4631	427

Spread	Feb-14	Mar-14	Apr-14
Feb-14	204		
Mar-14		190	
Apr-14			161

**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	9.60	974.80	978.60	965.10	970.50
Apr-14	7.80	1005.90	1010.00	1000.00	1005.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	11	3	77	0
Apr-14	96	-282	232	-11

Spread	Apr-14	May-14
Mar-14	193.5	
Apr-14		159

**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	1.61	20620	20960	20620	20830
31-Oct-13	1.5	20220	20390	20150	20250
29-Nov-13	1.3	20240	20370	20110	20190
31-Dec-13	1.25	20350	20350	20210	20260

**Cotton Prices at Key Spot Market**

Centre	Variety	Prices (Rs/Qtl)		Change
		8-Aug-13	7-Aug-13	
Amravati	Mech-1	5650	5550	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	5820	5605	215
Fazilika	B.T. Cotton	4700	4690	10
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4550	4550	Unch
Bhiwani*	B.T. Cotton	5350	5350	Unch
Sirsa	B.T. Cotton	4700	4650	50
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5000	5185	-185
Sri-Ganganagar	J-34	4710	4650	60
Abohar	J-34	4790	4725	65
Muktsar	J-34	4770	4725	45

\* New Crops

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		8-Aug-13	7-Aug-13	
Amravati	Mech-1	1000	1400	-400
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	105	175	-70
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	9	27	-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
				07-Aug-13	06-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38500	38300	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39500	39300	+200
J-34(202)	26mm	3.5 - 4.9	23	42500	42000	+500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43200	42900	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	43700	43500	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44700	44500	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45300	45000	+300
DCH-32(107)	34mm	3.0 - 3.8	33	53500	53000	+500

## Cotlook Index: As on 07/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	91.15	+0.35

## China Cotton Index: As on 08/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19206	-5
CCIndex(527)	16871	-7
CCIndex(229)	20018	-5

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

## USDA Cotton Spot Rates: As on 07/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	87.03	90.28	967
North Delta	85.78	88.28	671
South Delta	85.78	88.28	264
East TX-OK	84.25	87	499
West Texas	84.25	87.25	497
Desert SW	81.53	88.03	NIL
SJ Valley	82.53	93.18	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 07/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	86.2	88.56	86.2	88.53	2.71
Dec-13	85.69	88.5	85.69	88.33	2.64
Mar-14	83.95	86.15	83.91	86	2.12
May-14	83.65	85.37	83.65	85.25	1.7
Jul-14	83.2	84.5	83.2	84.32	1.16
Oct-14	79.82	79.82	79.82	79.82	0.83

## Pakistan Cotton Spot rates: As on 07/8/2013 (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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