

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed steady to firm tone on Saturday.
- Lower arrivals in the mandis lent support to the market.
- Ginners are not purchasing much around current levels in the ready market.
- Government of India has relaxed the restriction on the export of cotton by Cotton Corporation of India
- 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 good buying interest in the market
- 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 steady to firm tone amid lower stocks in the market.

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

Contract	+/-	Open	High	Low	Close
Feb-14	2.5	962.50	962.50	962.50	962.50
Mar-14					
Apr-14	0.5	1006.00	1012.00	1003.00	1003.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	0	15	1
Mar-14	0	-1	1	-2
Apr-14	2,715	-1,894	4231	-400

Spread	Feb-14	Mar-14	Apr-14
Feb-14	222.5		
Mar-14		-	
Apr-14			181.5

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	8.40	995.00	995.00	969.00	980.80
Apr-14	4.40	1006.00	1020.00	1005.50	1007.50

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	204.20	
Apr-14		177.50

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

MCX Cotton Futures Closed (29 mm Variety):

Contract	% Change	Open	High	Low	Close
31-Jul-13	0.38	20950	20980	20710	20900
31-Oct-13	-0.1	20140	20290	20090	20220
29-Nov-13	-0.2	20200	20200	20040	20140
31-Dec-13	-0.1	20230	20230	20100	20210

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		10-Aug-13	8-Aug-13	
Amravati	Mech-1	5650	5650	Unch
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaan	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	5925	5820	105
Fazilika	B.T. Cotton	4725	4700	25
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4550	4550	Unch
Bhiwani*	B.T. Cotton	5380	5350	30
Sirsa	B.T. Cotton	4740	4700	40
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	-	5000	-
Sri-Ganganagar	J-34	4700	4710	-10
Abohar	J-34	4790	4790	Unch
Muktsar	J-34	4800	4770	30

* New Crops

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		10-Aug-13	8-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	650	105	545
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	-
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
				08-Aug-13	07-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38500	38500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39500	39500	Unch
J-34(202)	26mm	3.5 - 4.9	23	43200	42500	+700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43900	43200	+700
Shankar-6(105)	29mm	3.5 - 4.9	28	44200	43700	+500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45400	44700	+700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46000	45300	+700
DCH-32(107)	34mm	3.0 - 3.8	33	54000	53500	+500

Cotlook Index: As on 08/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.45	+2.30

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	87.88	91.13	NIL
North Delta	86.63	89.13	NIL
South Delta	86.63	89.13	NIL
East TX-OK	85	87.75	59
West Texas	85	88	NIL
Desert SW	82.38	88.88	NIL
SJ Valley	83.38	94.03	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 08/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	88.72	89.45	88.53	89.38	0.85
Dec-13	88.33	89.42	88.06	89.25	0.92
Mar-14	86	87.24	85.83	87.16	1.16
May-14	85.2	85.99	84.77	85.92	0.67
Jul-14	84.61	84.7	83.9	84.63	0.31
Oct-14	80.36	80.36	80.36	80.36	0.54

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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