

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed steady tone on Tuesday, amid normal buying by mills and exporters.
- As per the USDA report, India's domestic cotton consumption seems strong until September.
- 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	0.5	970.50	970.50	963.00	963.00
Mar-14		979.00	979.00	965.50	965.50
Apr-14	14	1001.00	1021.00	1001.00	1019.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	2	2	15	0
Mar-14	1	0	3	0
Apr-14	4,608	695	3736	-541

Spread	Feb-14	Mar-14	Apr-14
Feb-14	222		
Mar-14		206	
Apr-14			166

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	11.10	984.00	988.00	982.00	988.00
Apr-14	13.80	1012.10	1025.00	1007.30	1021.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	6	-1	79	0
Apr-14	116	-57	233	-9

Spread	Apr-14	May-14
Mar-14	197	
Apr-14		164

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	1.43	20990	21210	20990	21210
31-Oct-13	1.25	20150	20330	20150	20330
29-Nov-13	1.1	20080	20210	20080	20210
31-Dec-13	0.79	20250	20310	20180	20310

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		8/13/13	8/12/13	
Amravati	Mech-1	5750	5600	150
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	Closed	5925	-
Fazilika	B.T. Cotton	4725	4725	Unch
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4600	4580	20
Bhiwani*	B.T. Cotton	5550	5325	225
Sirsa	B.T. Cotton	4710	4725	-15
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	-	5000	-
Sri-Ganganagar	J-34	4720	4700	20
Abohar	J-34	4760	4760	Unch
Muktsar	J-34	4775	4750	25

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		8/13/13	8/12/13	
Amravati	Mech-1	500	250	250
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	Closed	650	-
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
				12-Aug-13	9-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39500	39500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40400	Unch
J-34(202)	26mm	3.5 - 4.9	23	42500	43200	-700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44400	44200	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	44700	44500	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45700	45200	+500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46400	46000	+400
DCH-32(107)	34mm	3.0 - 3.8	33	54000	54000	Unch

Cotlook Index: As on 12/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	94.05	-0.40

China Cotton Index: As on 13/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19192	-8
CCIndex(527)	16866	-3
CCIndex(229)	20013	-3

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

USDA Cotton Spot Rates: As on 12/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	88.56	91.81	NIL
North Delta	87.31	89.81	NIL
South Delta	87.31	89.81	NIL
East TX-OK	85.75	88.50	194
West Texas	85.75	88.75	NIL
Desert SW	83.06	89.56	128
SJ Valley	84.06	94.71	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 12/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	89.02	90.06	89.02	90.06	1.01
Dec-13	88.56	90.39	87.75	90.08	1.15
Mar-14	86.71	88.00	85.98	87.75	0.87
May-14	85.30	86.67	85.05	86.48	0.81
Jul-14	83.93	85.20	83.93	85.04	0.77
Oct-14	80.69	80.69	80.69	80.69	0.58

Pakistan Cotton Spot rates: As on 12/8/2013 (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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