

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bullish trend on Wednesday.
- 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 bullish trends in the market

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

Contract	+/-	Open	High	Low	Close
Feb-14	29.5	994.50	996.50	994.50	996.50
Mar-14	37.0	999.00	1016.00	965.50	965.50
Apr-14	24	1022.00	1048.50	1018.00	1042.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	5	3	15	0
Mar-14	16	15	3	0
Apr-14	7,278	2,670	4156	420

Spread	Feb-14	Mar-14	Apr-14
Feb-14	206.5		
Mar-14		187	
Apr-14			160.5

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	31.80	994.00	1019.90	991.00	1016.60
Apr-14	20.30	1020.50	1048.00	1020.50	1041.60

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	25	19	76	-3
Apr-14	305	189	211	-22

Spread	Apr-14	May-14
Mar-14	186.4	
Apr-14		161.4

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	3.35	21270	21940	21270	21920
31-Oct-13	2.81	20420	20910	20420	20880
29-Nov-13	2.92	20350	20810	20350	20800
31-Dec-13	2.66	20480	20860	20480	20840

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		8/14/13	8/13/13	
Amravati	Mech-1	5800	5750	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	6015	Closed	-
Fazilika	B.T. Cotton	4800	4725	75
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4600	4600	Unch
Bhiwani*	B.T. Cotton	5600	5550	50
Sirsa	B.T. Cotton	4750	4710	40
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5675	-	-
Sri-Ganganagar	J-34	4720	4720	Unch
Abohar	J-34	4820	4760	60
Muktsar	J-34	4785	4775	10

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		8/14/13	8/13/13	
Amravati	Mech-1	800	500	300
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	1005	Closed	-
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	71	-	-
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
				13-Aug-13	12-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	42600	42500	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44400	44400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	44700	44700	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45700	45700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46400	46400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	54000	54000	Unch

Cotlook Index: As on 13/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	94.90	+0.85

China Cotton Index: As on 14/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19191	-1
CCIndex(527)	16867	+1
CCIndex(229)	20015	+2

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

USDA Cotton Spot Rates: As on 13/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.09	93.34	136
North Delta	88.84	91.34	NIL
South Delta	88.84	91.34	NIL
East TX-OK	87.25	90	NIL
West Texas	87.25	90.25	NIL
Desert SW	84.59	91.09	NIL
SJ Valley	85.59	96.24	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 13/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	90.20	92.00	90.07	91.59	1.53
Dec-13	90.08	92.54	89.80	91.72	1.64
Mar-14	87.80	89.90	87.45	89.50	1.75
May-14	86.45	88.32	86.45	88.10	1.62
Jul-14	85.00	86.62	84.91	86.48	1.44
Oct-14	81.59	81.59	81.59	81.59	0.90

Pakistan Cotton Spot rates: As on 13/8/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6600	155	6755
Equivalent	40 Kgs	7073	155	7228

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