

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bullish trend on Friday.
- 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

- Net Cotton Export sales of US is being recorded 38500 bales
- 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

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	996.50	996.50	996.50	996.50
Mar-14	18.50	1035.00	1035.00	965.50	965.50
Apr-14	18	1046.00	1067.50	1045.00	1061.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	-4	15	0
Mar-14	2	-14	4	1
Apr-14	5,849	-1,429	4315	159

Spread	Feb-14	Mar-14	Apr-14
Feb-14	215.5		
Mar-14		181.5	
Apr-14			151

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	23.30	1029.70	1038.00	1024.00	1038.00
Apr-14	19.40	1051.00	1066.90	1049.80	1062.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	12	-13	76	0
Apr-14	300	-5	219	8

Spread	Apr-14	May-14
Mar-14	174	
Apr-14		150

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	3.97	22070	22760	22050	22760
31-Oct-13	3.4	21340	21610	20870	21590
29-Nov-13	2.84	21120	21380	20800	21370
31-Dec-13	2.74	21150	21410	20950	21410

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		8/16/13	8/14/13	
Amravati	Mech-1	5750	5800	-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	6060	6015	45
Fazilika	B.T. Cotton	4815	4800	15
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4600	4600	Unch
Bhiwani*	B.T. Cotton	5650	5600	50
Sirsa	B.T. Cotton	4850	4750	100
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	-	5675	-
Sri-Ganganagar	J-34	4750	4720	30
Abohar	J-34	4925	4820	105
Muktsar	J-34	4925	4785	140

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		8/16/13	8/14/13	
Amravati	Mech-1	500	800	-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	355	1005	-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	-	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
				14-Aug-13	13-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	43100	42600	500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44800	44400	400
Shankar-6(105)	29mm	3.5 - 4.9	28	45100	44700	400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46100	45700	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46800	46400	400
DCH-32(107)	34mm	3.0 - 3.8	33	54300	54000	300

Cotlook Index: As on 15/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	95.95	-0.45

China Cotton Index: As on 16/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19189	-1
CCIndex(527)	16865	-2
CCIndex(229)	20016	Unch

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

USDA Cotton Spot Rates: As on 15/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.14	93.39	NIL
North Delta	88.89	91.39	NIL
South Delta	88.89	91.39	NIL
East TX-OK	86.75	89.50	603
West Texas	86.75	89.75	NIL
Desert SW	84.64	91.14	NIL
SJ Valley	85.64	96.29	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 15/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	90.75	91.64	90.75	91.64	0.19
Dec-13	91.46	91.85	90.58	91.79	0.24
Mar-14	88.53	89.05	88.06	88.96	0.01
May-14	87.09	87.36	86.5	87.32	-0.16
Jul-14	85.31	85.54	84.74	85.54	-0.22
Oct-14	80.94	80.94	80.94	80.94	-0.18

Pakistan Cotton Spot rates: As on 15/8/2013 (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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