

## Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish trend on Monday.
- 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	-	0.00	0.00	0.00	0.00
Mar-14	-	0.00	0.00	965.50	965.50
Apr-14	3.5	1045.00	1050.00	1028.00	1045.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-12	14	0
Mar-14	0	0	4	0
Apr-14	4,988	-465	4270	159

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-		
Mar-14		-	
Apr-14			171

**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	-3.00	1015.00	1015.00	1013.00	1015.00
Apr-14	4.40	1047.80	1048.00	1028.40	1045.30

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	3	-1	77	1
Apr-14	267	94	230	-1

Spread	Apr-14	May-14
Mar-14	201	
Apr-14		170.7

**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	2.06	22470	22920	21750	22770
31-Oct-13	2.28	21270	21540	20790	21490
29-Nov-13	2.45	21090	21360	20510	21300
31-Dec-13	2.69	20950	21400	20570	21380

**Cotton Prices at Key Spot Market**

Centre	Variety	Prices (Rs/Qtl)		Change
		8/19/13	8/17/13	
Amravati	Mech-1	6000	5950	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	6080	6275	
Fazilika	B.T. Cotton	4925	4850	
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	5000	4600	400
Bhiwani*	B.T. Cotton	5900	5600	300
Sirsa	B.T. Cotton	4960	4800	160
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	-	-	-
Sri-Ganganagar	J-34	Closed	5000	-
Abohar	J-34	4990	5020	-30
Muktsar	J-34	5025	5000	25

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		8/19/13	8/17/13	
Amravati	Mech-1	400	250	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	605	825	-220
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	-	-	-
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
				17-Aug-13	16-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40300	39900	400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41200	40800	400
J-34(202)	26mm	3.5 - 4.9	23	45300	44300	1000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47500	46300	1200
Shankar-6(105)	29mm	3.5 - 4.9	28	47800	46600	1200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48300	47600	700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49000	48300	700
DCH-32(107)	34mm	3.0 - 3.8	33	55000	55000	Unch

## Cotlook Index: As on 16/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	96.10	0.15

## China Cotton Index: As on 19/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19190	1
CCIndex(527)	16865	Unch
CCIndex(229)	20017	1

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

## USDA Cotton Spot Rates: As on 16/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	91.90	95.15	NIL
North Delta	90.65	93.15	264
South Delta	90.65	93.15	NIL
East TX-OK	88.50	91.25	122
West Texas	88.50	91.50	NIL
Desert SW	86.40	92.90	NIL
SJ Valley	87.40	98.05	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 16/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	92	93.9	92	93.4	1.76
Dec-13	91.75	93.72	91.61	93.32	1.53
Mar-14	88.9	90.61	88.8	90.04	1.08
May-14	87.28	88.28	87.24	87.87	0.55
Jul-14	85.54	86	85.07	85.68	0.14
Oct-14	80.95	80.95	80.95	80.95	0.01

## Pakistan Cotton Spot rates: As on 17/8/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6750	155	6905
Equivalent	40 Kgs	7234	155	7389

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