

## Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish trends on Thursday.
- Cotton production is expected to rise by 4.56% to 37.2 million bales in 2013-14.
- As per the USDA report, India's domestic cotton consumption seems strong until September.
- Cotton Area sown till date is approximately 110.93 lakh hectares compared to previous year's 110.26 lakh hectares which are 0.6% 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 bearish 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	0	0
Apr-14	-7.5	1015.00	1024.50	1006.00	1014.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-1	13	-1
Mar-14	0	0	4	0
Apr-14	3,923	-1,855	4769	-131

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-		
Mar-14		-	
Apr-14			169

**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	5.50	995.00	998.00	994.60	995.00
Apr-14	-8.10	1013.10	1028.30	1013.10	1018.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	5	-1	76	0
Apr-14	163	-70	206	-10

Spread	Apr-14	May-14
Mar-14	188	
Apr-14		165

**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	-1.39	21880	22210	21800	21950
31-Oct-13	-0.33	20620	21100	20590	21000
29-Nov-13	-0.62	20460	20950	20430	20840
31-Dec-13	-0.48	20640	21020	20640	20900

**Cotton Prices at Key Spot Market**

Centre	Variety	Prices (Rs/Qtl)		Change
		8/22/13	8/21/13	
Amravati	Mech-1	6100	6150	-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	5915	6000	-85
Fazilika	B.T. Cotton	4815	-	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	5000	5000	Unch
Bhiwani*	B.T. Cotton	5900	5800	+100
Sirsa	B.T. Cotton	4880	4950	-70
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	-	5545	-
Sri-Ganganagar	J-34	Closed	Closed	-
Abohar	J-34	4900	4960	-60
Muktsar	J-34	4925	4980	-55

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		Change
		8/22/13	8/21/13	
Amravati	Mech-1	500	500	Unch
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	505	625	-120
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	-	70	-
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
				21-Aug-13	20-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39900	40400	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	41400	-500
J-34(202)	26mm	3.5 - 4.9	23	44300	44800	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47000	47300	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	46900	47300	-400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48200	48600	-400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49000	49300	-300
DCH-32(107)	34mm	3.0 - 3.8	33	55000	55000	Unch

## Cotlook Index: As on 21/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.55	-3.60

## China Cotton Index: As on 22/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19178	-1
CCIndex(527)	16860	-2
CCIndex(229)	20015	-1

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

## USDA Cotton Spot Rates: As on 21/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.41	85.66	NIL
North Delta	81.16	83.66	NIL
South Delta	81.16	83.66	NIL
East TX-OK	79.75	82.50	3315
West Texas	79.75	82.75	NIL
Desert SW	76.91	83.41	NIL
SJ Valley	77.91	88.56	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 21/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	87.95	88.10	83.84	83.91	-4.85
Dec-13	88.49	88.65	84.00	84.24	-4.62
Mar-14	86.16	86.33	83.20	83.34	-2.94
May-14	84.70	85.16	83.03	83.09	-1.90
Jul-14	83.34	83.60	82.49	82.67	-0.86
Oct-14	77.65	77.65	77.65	77.65	-1.08

## Pakistan Cotton Spot rates: As on 21/8/2013 (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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