

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish trends on Friday.
- 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	-2.5	1015.00	1019.00	1006.00	1011.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	13	0
Mar-14	0	0	4	0
Apr-14	3,171	-752	4774	5

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-		
Mar-14		-	
Apr-14			162.5

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	-13.50	996.00	996.00	981.00	982.00
Apr-14	-1.40	1020.40	1022.20	1010.00	1016.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	5	0	76	0
Apr-14	102	-61	210	4

Spread	Apr-14	May-14
Mar-14	192	
Apr-14		157.5

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	-0.91	21990	22120	21630	21740
31-Oct-13	-0.53	20930	21180	20700	20830
29-Nov-13	-0.77	20750	20960	20540	20610
31-Dec-13	-0.48	20860	21010	20640	20750

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		8/23/13	8/22/13	
Amravati	Mech-1	5800	6100	-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	5870	5915	-45
Fazilika	B.T. Cotton	4800	4815	-15
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	5000	5000	Unch
Bhiwani*	B.T. Cotton	5850	5900	-50
Sirsa	B.T. Cotton	4900	4880	+20
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5815	-	-
Sri-Ganganagar	J-34	Closed	Closed	-
Abohar	J-34	4915	4900	+15
Muktsar	J-34	4925	4925	Unch

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		8/23/13	8/22/13	
Amravati	Mech-1	No Arrival	500	-
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	400	505	-105
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	52	-	-
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
				22-Aug-13	21-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39500	39900	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40900	-500
J-34(202)	26mm	3.5 - 4.9	23	44000	44300	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47000	47000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	46900	46900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48200	48200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49000	49000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	55000	55000	Unch

Cotlook Index: As on 22/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.85	-3.70

China Cotton Index: As on 23/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19176	-2
CCIndex(527)	16860	Unch
CCIndex(229)	20013	-2

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

USDA Cotton Spot Rates: As on 22/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.45	85.70	NIL
North Delta	81.20	83.70	360
South Delta	81.20	83.70	NIL
East TX-OK	80.00	82.75	788
West Texas	80.00	83.00	1627
Desert SW	76.95	83.45	NIL
SJ Valley	77.95	88.60	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 22/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	84	84.56	83.82	83.95	0.04
Dec-13	84.3	85.19	83.91	84.18	-0.06
Mar-14	83.36	84.49	83.15	83.63	0.29
May-14	83.14	83.8	83	83.39	0.3
Jul-14	82.57	83.39	82.57	83.01	0.34
Oct-14	78.01	78.01	78.01	78.01	0.36

Pakistan Cotton Spot rates: As on 22/8/2013 (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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