

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish trends on Monday.
- Cotton prices are expected to fall in future amid higher planting this year.
- 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 111.34 lakh hectares compared to 111.53 lakh hectares during the same period 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

- Pakistan total textile exports rose by 11% to USD 1.21 billion this year.
- As per USDA report, the world cotton stock in 2013/14 would reach to 93.8 million bales, 7.4 million bales higher than previous season.
- USDA lowers the forecast for 2013/14 world cotton production to 116.4 million bales, which is 1.6 million bales below the previous month's projection.

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	23.5	1017.00	1040.00	1000.00	1037.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	13	0
Mar-14	0	0	4	0
Apr-14	6,406	3,861	4972	277

Spread	Feb-14	Mar-14	Apr-14
Feb-14	-		
Mar-14		-	
Apr-14			135.5

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	18.80	989.00	1005.00	989.00	1005.00
Apr-14	23.90	1023.00	1042.00	1010.90	1042.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	4	4	77	1
Apr-14	188	153	208	-5

Spread	Apr-14	May-14
Mar-14	168	
Apr-14		131

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	3.42	21990	22680	21990	22650
31-Oct-13	2.72	20990	21570	20990	21520
29-Nov-13	2.55	21050	21370	20950	21350
31-Dec-13	2.49	21150	21480	21050	21430

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		8/26/13	8/24/13	
Amravati	Mech-1	6150	5850	+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	Closed	5865	-
Fazilika	B.T. Cotton	4840	4800	+40
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4850	5000	-150
Bhiwani*	B.T. Cotton	5650	5900	-250
Sirsa	B.T. Cotton	4920	4920	Unch
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	Closed	Closed	-
Sri-Ganganagar	J-34	Closed	Closed	-
Abohar	J-34	4950	4950	Unch
Muktsar	J-34	4950	4955	-5

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		8/26/13	8/24/13	
Amravati	Mech-1	400	100	-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	Closed	250	-
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	Closed	Closed	-
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
				24-Aug-13	23-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40000	40000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40900	Unch
J-34(202)	26mm	3.5 - 4.9	23	44200	44000	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47200	47000	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	47100	46900	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48400	48200	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49200	49000	+200
DCH-32(107)	34mm	3.0 - 3.8	33	55000	55000	Unch

Cotlook Index: As on 23/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.85	Unch

China Cotton Index: As on 26/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19175	-1
CCIndex(527)	16858	-2
CCIndex(229)	20013	Unch

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

USDA Cotton Spot Rates: As on 23/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.74	85.99	1641
North Delta	81.49	83.99	29
South Delta	81.49	83.99	1
East TX-OK	80.5	83.25	306
West Texas	80.5	83.5	NIL
Desert SW	77.24	83.74	NIL
SJ Valley	78.24	88.89	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 23/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	85.0	85	84	84.24	0.29
Dec-13	84.18	85	83.93	84.08	-0.1
Mar-14	83.77	84	83.37	83.5	-0.13
May-14	83.63	83.79	83.09	83.15	-0.24
Jul-14	83	83	83	82.72	-0.29
Oct-14	78	78	77.86	77.86	-0.15

Pakistan Cotton Spot rates: As on 24/8/2013 (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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2013 Indian Agribusiness Systems Pvt Ltd.