

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bullish trends on Tuesday.
- Acreage of cotton in Maharashtra has declined by 6.3% due to previous year's drought in state.
- 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 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 bullish trends in the market

NCDEX Kapas Futures Closed: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-14	27	1001.50	1001.50	982.00	999.00
Mar-14	-	0.00	0.00	0.00	0.00
Apr-14	5.5	1040.00	1047.00	1030.00	1037.50

MCX Kapas Futures Closed: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Mar-14	7.70	1014.00	1015.00	1005.00	1005.00
Apr-14	7.20	1043.00	1050.30	1034.10	1041.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	4	4	13	0
Mar-14	0	0	4	0
Apr-14	7,276	870	5079	107

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	8	4	77	0
Apr-14	308	120	202	-6

Spread	Feb-14	Mar-14	Apr-14
Feb-14	174		
Mar-14		-	
Apr-14			135.5

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

Spread	Apr-14	May-14
Mar-14	168	
Apr-14		132

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	0.93	22700	22920	22560	22810
31-Oct-13	1.53	21650	21910	21580	21840
29-Nov-13	1.5	21480	21660	21380	21610
31-Dec-13	1.4	21580	21750	21470	21690

Cotton Prices at Key Spot Market

Centre	Variety	Prices (Rs/Qtl)		Change
		8/27/13	8/26/13	
Amravati	Mech-1	6150	6150	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	Closed	Closed	-
Fazilika	B.T. Cotton	-	4840	
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4800	4850	-50
Bhiwani*	B.T. Cotton	5800	5650	+150
Sirsa	B.T. Cotton	4950	4920	+30
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	Closed	Closed	-
Sri-Ganganagar	J-34	Closed	Closed	-
Abohar	J-34	5000	4950	+50
Muktsar	J-34	5000	4950	+50

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		Change
		8/27/13	8/26/13	
Amravati	Mech-1	300	400	-100
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	Closed	-
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
				26-Aug-13	24-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	44400	44200	+200
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	47700	47200	+500
Shankar-6(105)	29mm	3.5 – 4.9	28	47400	47100	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48700	48400	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49500	49200	+300
DCH-32(107)	34mm	3.0 - 3.8	33	55500	55000	+500

Cotlook Index: As on 23/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.85	Unch

China Cotton Index: As on 27/8/2013

Index	RMB/Ton	Change
CCIndex(328)	19168	-7
CCIndex(527)	16856	-2
CCIndex(229)	20009	-4

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 26/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	85.06	85.25	85	85.25	1.01
Dec-13	84.26	85.54	84	84.9	0.82
Mar-14	83.84	84.66	83.69	84.05	0.55
May-14	83.74	84	83	84	0.57
Jul-14	83.21	83	83	83.19	0.47
Oct-14	78.17	78.17	78	78.17	0.31

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

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