

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish trends on Friday.
- Cotton prices are expected to climb higher in coming days amid late arrivals and higher demand from millers.
- Acreage of cotton in Maharashtra has declined by 6.3% due to previous year's drought in state.
- 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	-	0.00	0.00	0.00	0.00
Mar-14	-	0.00	0.00	0.00	0.00
Apr-14	-3	1028.00	1034.00	1014.00	1026.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-3	13	0
Mar-14	0	-1	4	0
Apr-14	4,634	-861	4983	-80

Spread	Feb-14	Mar-14	Apr-14
Feb-14	—		
Mar-14		—	
Apr-14			146

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	-19.50	1012.00	1012.00	990.00	992.30
Apr-14	-2.90	1037.00	1037.20	1018.70	1030.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	8	2	77	-1
Apr-14	138	-174	188	-2

Spread	Apr-14	May-14
Mar-14	180.7	
Apr-14		142.5

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	-0.62	22780	22780	22230	22420
31-Oct-13	-0.66	21450	21530	21010	21200
29-Nov-13	-0.95	21280	21350	20910	20960
31-Dec-13	-0.75	21250	21270	21000	21060

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		30-Aug-13	29-Aug-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	Closed	Closed	-
Fazilika	B.T. Cotton	4825	4950	-125
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4850	4870	-20
Bhiwani*	B.T. Cotton	5800	5700	100
Sirsa	B.T. Cotton	5060	5040	20
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	Closed	Closed	-
Sri-Ganganagar	J-34	Closed	Closed	-
Abohar	J-34	5060	5100	-40
Muktsar	J-34	5100	5075	25

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety-0.40	Arrivals		Change
		30-Aug-13	29-Aug-13	
Amravati	Mech-1	300	200	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	-
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
				29-Aug-13	28-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40400	40400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40900	Unch
J-34(202)	26mm	3.5 - 4.9	23	45100	45000	+100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	49300	48800	+500
Shankar-6(105)	29mm	3.5 – 4.9	28	49000	48500	+500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	50000	49700	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50800	50500	+300
DCH-32(107)	34mm	3.0 - 3.8	33	56500	56000	+500

China Cotton Index: As on 30/8/2013

Cotlook Index: As on 29/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.55	-0.40

Index	RMB/Ton	Change
CCIndex(328)	19155	-3
CCIndex(527)	16847	-3
CCIndex(229)	20000	0

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

USDA Cotton Spot Rates: As on 29/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.35	85.60	16
North Delta	81.35	83.85	NIL
South Delta	81.35	83.85	NIL
East TX-OK	80.00	82.75	130
West Texas	80.00	83.00	NIL
Desert SW	76.60	83.10	NIL
SJ Valley	77.60	88.25	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 29/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	84.01	84.05	83.60	83.60	-0.41
Dec-13	83.75	84.15	83.22	83.24	-0.51
Mar-14	82.80	83.20	82.31	82.31	-0.51
May-14	82.63	82.95	82.28	82.28	-0.38
Jul-14	82.85	83.00	82.15	82.25	-0.14
Oct-14	77.98	77.98	77.98	77.98	+0.23

Pakistan Cotton Spot rates: As on 29/8/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6700	155	6855
Equivalent	40 Kgs	7180	155	7335

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