

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed steady to firm tone on Saturday except slight weakness in Punjab and Haryana markets.
- Demand is slow from spinners around current levels.
- Lack of stocks in the ready market added to the positive tone of the market.
- 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 111.65 lakh hectares compared to 112.83 lakh hectares during the same period last year.

Cotton International Fundamentals

- Chinese cotton textile manufacturers have asked the government to introduce direct subsidies to farmers and stabilize domestic prices.
- Cotton futures at NYMEX closed higher amid buying interest in the market.
- 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 sideways to firm tone on lower stocks in the market.

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

Contract	+/-	Open	High	Low	Close
Feb-14	4	995.00	995.00	971.00	994.00
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	16.5	1025.50	1042.50	1020.50	1041

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

Contract	+/-	Open	High	Low	Close
Mar-14	15.10	1007.70	1011.00	1007.70	1009.40
Apr-14	14.60	1030.00	1045.20	1030.00	1042.30

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	12	12	14	1
Mar-14	0	0	0	0
Apr-14	3,584	-1,050	5388	405

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	2	-6	77	0
Apr-14	51	-87	187	-1

Spread	Feb-14	Mar-14	Apr-14
Feb-14	179		
Mar-14		—	
Apr-14			132

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

Spread	Apr-14	May-14
Mar-14	163.6	
Apr-14		130.7

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

MCX Cotton Futures Closed (29 mm Variety):

Contract	% Change	Open	High	Low	Close
31-Oct-13	1.47	22420	22880	22350	22750
29-Nov-13	1.18	21120	21570	21110	21430
31-Dec-13	0.95	20820	21320	20820	21200
31-Jan-13	0.71	21120	21400	21120	21260

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		31-Aug-13	30-Aug-13	
Amravati	Mech-1	6200	6100	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	4950	4825	125
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4900	4850	50
Bhiwani*	B.T. Cotton	5900	5800	100
Sirsa	B.T. Cotton	5050	5060	-10
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	Closed	Closed	-
Sri-Ganganagar	J-34	Closed	Closed	-
Abohar	J-34	5025	5060	-35
Muktsar	J-34	5035	5100	-65

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety-0.40	Arrivals		Change
		31-Aug-13	30-Aug-13	
Amravati	Mech-1	300	300	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	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
				30-Aug-13	29-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	45200	45100	+100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	49200	49300	-100
Shankar-6(105)	29mm	3.5 – 4.9	28	49000	49000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	50000	50000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50800	50800	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	56500	56500	Unch

Cotlook Index: As on 30/8/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.15	-0.40

China Cotton Index: As on 30/8/2013

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 30/8/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.45	85.70	NIL
North Delta	81.45	83.95	NIL
South Delta	81.45	83.95	NIL
East TX-OK	80.25	83.00	2039
West Texas	80.25	83.25	NIL
Desert SW	76.70	83.20	NIL
SJ Valley	77.70	88.35	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 30/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	83.50	83.88	83.01	83.70	+0.10
Dec-13	83.43	84.54	82.43	83.49	+0.25
Mar-14	82.37	83.74	81.79	82.74	+0.43
May-14	82.37	83.60	81.80	82.69	+0.41
Jul-14	82.26	83.50	81.80	82.66	+0.41
Oct-14	78.08	78.08	78.08	78.08	+0.10

Pakistan Cotton Spot rates: As on 30/8/2013 (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

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.