

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish tone on Tuesday.
- Cotton prices moved higher to Rs. 50000 per candy (of 356 Kg each) in Rajkot due to supply shortage.
- 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 6% to 36 million bales in 2013-14.
- 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 are 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	-	0.00	0.00	0.00	0.00
Mar-14	-	0.00	0.00	0.00	0.00
Apr-14	9.5	1037.00	1047.50	1036.50	1044.50

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

Contract	+/-	Open	High	Low	Close
Mar-14	12.20	1000.00	1015.00	1000.00	1015.00
Apr-14	9.00	1043.00	1050.90	1041.00	1048.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	14	0
Mar-14	0	0	4	0
Apr-14	4,305	614	5317	-190

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	2	-11	78	0
Apr-14	128	-68	181	-3

Spread	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			215.5

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

Spread	Apr-14	May-14
Mar-14	245	
Apr-14		212

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	1.65	22500	22980	22500	22850
29-Nov-13	1.75	21320	21680	21300	21560
31-Dec-13	1.86	21140	21440	21070	21310
31-Jan-13	1.71	21200	21510	21170	21400

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		3-Sep-13	2-Sep-13	
Amravati	Mech-1	6250	-	-
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	6300	6265	35
Fazilika	B.T. Cotton	4900	4915	-15
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4800	4800	Unch
Bhiwani*	B.T. Cotton	5600	5700	-100
Sirsa	B.T. Cotton	5020	5050	-30
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	6060	Closed	-
Sri-Ganganagar	J-34	No Arrival	Closed	-
Abohar	J-34	4985	5010	-25
Muktsar	J-34	5000	5030	-30

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (in Quintals)		Change
		3-Sep-13	2-Sep-13	
Amravati	Mech-1	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	110	50	60
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	41	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
				02-Sep-13	31-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	<22mm	5.0 - 7.0	15	40200	40400	-200
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	40700	40900	-200
J-34(202)	26mm	3.5 - 4.9	23	44900	45100	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	48900	48900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	48800	48800	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49700	49700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50500	50500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	56500	56000	+500



China Cotton Index: As on 03/9/2013

Cotlook Index: As on 02/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.40	+0.25

Index	RMB/Ton	Change
CCIndex(328)	19152	-2
CCIndex(527)	16846	-1
CCIndex(229)	19999	-1

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 02/9/2013 (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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