



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish tone on Wednesday.
- Cotton prices are expected to move higher due to tight supply.
- 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	7	993.00	993.00	993.00	993.00
Mar-14	-	0.00	0.00	0.00	0.00
Apr-14	-7	1043.00	1044.00	1033.50	1038.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	3	3	14	0
Mar-14	0	0	4	0
Apr-14	3,222	-1,083	5417	100

Spread	Feb-14	Mar-14	Apr-14
Feb-14	277		
Mar-14		--	
Apr-14			232

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	5.00	1011.00	1013.90	1003.00	1012.50
Apr-14	-8.00	1046.20	1049.00	1037.70	1041.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	10	8	78	0
Apr-14	233	105	190	9

Spread	Apr-14	May-14
Mar-14	257.5	
Apr-14		229

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	-2.41	22790	22800	22220	22310
29-Nov-13	-2.32	21470	21470	21010	21060
31-Dec-13	-2.02	21240	21240	20870	20900
31-Jan-13	-1.87	21280	21280	20960	21000

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		4-Sep-13	3-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	6350	6300	+50
Fazilika	B.T. Cotton	4900	4900	Unch
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4700	4800	-100
Bhiwani*	B.T. Cotton	5500	5600	-100
Sirsa	B.T. Cotton	5000	5020	-20
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	6180	6060	+120
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	4980	4985	-5
Muktsar	J-34	No Arrival	5000	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals		Change
		4-Sep-13	3-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	250	110	+140
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	86	41	+45
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
				03-Sep-13	02-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40000	40200	-200
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	40500	40700	-200
J-34(202)	26mm	3.5 - 4.9	23	44900	44900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	49000	48900	100
Shankar-6(105)	29mm	3.5 - 4.9	28	48900	48800	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49800	49700	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50700	50500	200
DCH-32(107)	34mm	3.0 - 3.8	33	57000	56500	500



China Cotton Index: As on 04/9/2013

Cotlook Index: As on 03/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.40	Unch

Index	RMB/Ton	Change
CCIndex(328)	19150	-2
CCIndex(527)	16845	-1
CCIndex(229)	19989	-10

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

USDA Cotton Spot Rates: As on 03/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.57	84.82	NIL
North Delta	80.57	83.07	NIL
South Delta	80.57	83.07	NIL
East TX-OK	80.75	83.5	650
West Texas	79.5	82.5	NIL
Desert SW	75.82	82.32	NIL
SJ Valley	76.82	87.47	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 03/8/2013

Contract	Open	High	Low	Close	Change
Oct-13	83.94	84	82.8	82.82	-0.88
Dec-13	83.57	84.1	82.67	82.71	-0.78
Mar-14	82.93	83.2	82.15	82.27	-0.47
May-14	82.95	82.95	82.15	82.31	-0.38
Jul-14	82.59	82.59	82.05	82.24	-0.42
Oct-14	77.87	77.87	77.87	77.87	-0.21

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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