

### Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish tone on Thursday.
- Cotton prices are expected to move higher in coming days 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 bearish to sideways 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	-12	1035.50	1035.50	1022.00	1026

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-3	14	0
Mar-14	0	0	4	0
Apr-14	4,396	1,174	5296	-121

#### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			244

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

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

Contract	+/-	Open	High	Low	Close
Mar-14	-6.20	995.00	1002.00	986.00	1002.00
Apr-14	-11.70	1034.00	1037.00	1025.90	1029.00

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	4	-6	78	0
Apr-14	179	-54	189	-1

#### Spread

	Apr-14	May-14
Mar-14	268	
Apr-14		241

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



### MCX Cotton Futures Closed (29 mm Variety):

Contract	% Change	Open	High	Low	Close
31-Oct-13	-2.78	21920	22180	21460	21700
29-Nov-13	-1.57	20710	20950	20420	20720
31-Dec-13	-1.48	20570	20800	20300	20600
31-Jan-13	-1.43	20640	20910	20370	20700

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		5-Sep-13	4-Sep-13	
Amravati	Mech-1	Closed	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	-
Fazilika	B.T. Cotton	4875	4900	-25
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4600	4700	-100
Bhiwani*	B.T. Cotton	5500	5500	Unch
Sirsa	B.T. Cotton	4950	5000	-50
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	-	6180	-
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	4950	4980	-30
Muktsar	J-34	4950	No Arrival	-

\* New Crop

### Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Quintal)		Change
		5-Sep-13	4-Sep-13	
Amravati	Mech-1	Closed	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	-
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	-
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
				04-Sep-13	03-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	<22mm	5.0 - 7.0	15	39900	40000	-100
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	40400	40500	-100
J-34(202)	26mm	3.5 - 4.9	23	44900	44900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	48800	49000	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	48900	48900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49800	49800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50700	50700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57000	+500



### China Cotton Index: As on 05/9/2013

### Cotlook Index: As on 04/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	88.75	-0.65

Index	RMB/Ton	Change
CCIndex(328)	19149	-1
CCIndex(527)	16845	Unch
CCIndex(229)	19985	-4

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

### USDA Cotton Spot Rates: As on 04/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.58	84.83	NIL
North Delta	80.58	83.08	NIL
South Delta	80.58	83.08	NIL
East TX-OK	80.75	83.5	364
West Texas	79.5	82.5	NIL
Desert SW	75.83	82.33	NIL
SJ Valley	76.83	87.48	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 04/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	83.00	83.00	82.75	82.83	0.01
Dec-13	82.84	83.35	82.67	82.75	0.04
Mar-14	82.45	82.80	82.20	82.32	0.05
May-14	82.20	82.83	82.20	82.37	0.06
Jul-14	82.28	82.83	82.21	82.38	0.14
Oct-14	77.87	77.87	77.87	77.87	unch

### Pakistan Cotton Spot rates: As on 04/9/2013 (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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