

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish tone on Friday.
- 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

- Global cotton production is likely to decline to 25.5 million tons in 2013-14, as reported by market participants.
- Cotton ICE future moved three months lower amid log liquidation in market.
- Chinese cotton textile manufacturers have asked the government to introduce direct subsidies to farmers and stabilize domestic prices.
- 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	-8	995.00	995.00	995.00	995.00
Apr-14	1	1027.00	1031.00	1016.50	1028.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	14	0
Mar-14	2	2	4	0
Apr-14	4,426	30	5116	-180

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			208

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	-5.20	996.40	996.40	990.10	990.10
Apr-14	0.00	1030.00	1035.00	1020.60	1032.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	6	2	78	0
Apr-14	140	-39	202	13

Spread

	Apr-14	May-14
Mar-14	245.9	
Apr-14		204

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

Contract	% Change	Open	High	Low	Close
31-Oct-13	0	21630	21860	21340	21690
29-Nov-13	-0.19	20750	20830	20490	20690
31-Dec-13	-0.05	20650	20720	20400	20580
31-Jan-14	-0.14	20760	20800	20490	20700
27-Feb-14	0	20700	20700	20700	20700

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		06-Sep-13	05-Sep-13	
Amravati	Mech-1	-	Closed	-
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	6180	-	-
Fazilika	B.T. Cotton	4850	4875	-25
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4500	4600	-100
Bhiwani*	B.T. Cotton	5200	5500	-300
Sirsa	B.T. Cotton	4900	4950	-50
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	6005	-	-
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	4860	4950	-90
Muktsar	J-34	No Arrival	4950	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		06-Sep-13	05-Sep-13	
Amravati	Mech-1	-	Closed	-
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	500	-	-
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	36	-	-
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
				05-Sep-13	04-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39400	39900	-500
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	39900	40400	-500
J-34(202)	26mm	3.5 - 4.9	23	44600	44900	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	48500	48800	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	48600	48900	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49500	49800	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50400	50700	-300
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch



Cotlook Index: As on 05/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	88.75	Unch

China Cotton Index: As on 06/9/2013

Index	RMB/Ton	Change
CCIndex(328)	19149	Unch
CCIndex(527)	16843	-2
CCIndex(229)	19982	-3

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

USDA Cotton Spot Rates: As on 05/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.15	84.4	NIL
North Delta	80.15	82.65	NIL
South Delta	80.15	82.65	NIL
East TX-OK	80.5	83.25	1291
West Texas	79.25	82.25	NIL
Desert SW	75.4	81.9	NIL
SJ Valley	76.4	87.05	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 05/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	82.71	82.85	82.30	82.40	-0.43
Dec-13	82.91	82.95	82.11	82.30	-0.45
Mar-14	82.25	82.31	81.76	81.89	-0.43
May-14	82.24	82.24	81.83	81.98	-0.39
Jul-14	82.23	82.26	81.88	82.05	-0.33
Oct-14	77.70	77.70	77.70	77.70	-0.17

Pakistan Cotton Spot rates: As on 05/9/2013 (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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