

### Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bullish tone on Saturday.
- 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 sideways to bullish tone on fair buyings in 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	4	1029.50	1032.00	1023.00	1030.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	14	0
Mar-14	0	-2	4	0
Apr-14	2,191	-2,235	5083	-33

#### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			206.5

**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	8.20	1002.00	1002.00	1002.00	1002.00
Apr-14	2.50	1032.00	1035.00	1027.40	1033.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	1	-5	78	0
Apr-14	56	-84	188	-14

#### Spread

	Apr-14	May-14
Mar-14	235	
Apr-14		203.5

**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	-1.1	21830	21830	21260	21480
29-Nov-13	-0.43	20800	20810	20400	20650
31-Dec-13	-0.15	20730	20730	20400	20600
31-Jan-14	-0.19	20700	20720	20550	20700

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		07-Sep-13	06-Sep-13	
Amravati	Mech-1	6150	-	-
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	6185	6180	+5
Fazilika	B.T. Cotton	4850	4850	Unch
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4500	4500	Unch
Bhiwani*	B.T. Cotton	4700	5200	-500
Sirsa	B.T. Cotton	4825	4900	-75
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	6005	6005	Unch
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	4800	4860	-60
Muktsar	J-34	No Arrival	No Arrival	-

\* New Crop

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		07-Sep-13	06-Sep-13	
Amravati	Mech-1	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	600	500	+100
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	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	79	36	+43
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
				06-Sep-13	05-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39400	39400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39900	39900	Unch
J-34(202)	26mm	3.5 - 4.9	23	43900	44600	-700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	48300	48500	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	48500	48600	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49300	49500	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50200	50400	-200
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch



### China Cotton Index: As on 06/9/2013

### Cotlook Index: As on 06/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	88.35	-0.40

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 06/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.99	85.24	NIL
North Delta	80.99	83.49	NIL
South Delta	80.99	83.49	NIL
East TX-OK	81.50	84.25	1510
West Texas	80.25	83.25	NIL
Desert SW	76.24	82.74	NIL
SJ Valley	77.24	87.89	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 06/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	83.00	83.24	83.00	83.24	+0.84
Dec-13	82.39	83.93	82.25	83.21	+0.91
Mar-14	81.87	83.16	81.78	82.59	+0.70
May-14	81.94	83.19	81.94	82.68	+0.70
Jul-14	83.18	83.20	82.29	82.74	+0.69
Oct-14	78.71	78.71	78.71	78.71	+1.01

### Pakistan Cotton Spot rates: As on 06/9/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6650	155	6805
Equivalent	40 Kgs	7127	155	7282

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