



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Thursday.
- New arrivals have begun to arrive in markets of Punjab and Haryana, leading active trading.
- Cotton production is estimated to be 37 million bales as per the market participants, in year 2013-14.
- Better crop prospects may support the weak sentiments for cotton in future.
- Cotton Area sown till date is approximately 113.50 lakh hectares compared to 114.44 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 bearish tone amid new arrivals in the market.

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

Contract	+/-	Open	High	Low	Close
Feb-14	-28	958.00	958.00	958.00	958.00
Mar-14	-23	981.00	981.00	980.00	980.00
Apr-14	-16	1029.50	1032.00	1006.50	1011.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	2	2	14	0
Mar-14	2	0	4	0
Apr-14	5,459	3,325	4803	-183

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	292		
Mar-14		270	
Apr-14			238.5

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	-9.70	987.50	989.00	970.00	984.60
Apr-14	-15.20	1029.00	1029.60	1008.10	1013.80

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	11	9	76	-4
Apr-14	90	55	192	13

Spread

	Apr-14	May-14
Mar-14	265.4	
Apr-14		236.2

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	-0.67	20900	20900	20640	20800
29-Nov-13	-0.64	20040	20160	19940	20080
31-Dec-13	-0.59	20050	20180	19980	20120
31-Jan-14	-0.54	20230	20320	20110	20270
27-Feb-14	0.24	20380	20510	20300	20480

Cotton Prices at key Spot Markets

Centre	Variety	Prices (Rs/Qtl)		Change
		19-Sep-13	18-Sep-13	
Amravati	Mech-1	No Arrival	No Arrival	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	No Arrival	5875	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	6250	6205	45
Fazilika*	B.T. Cotton	4650	4650	Unch
Fazilika*	B.T. Cotton(Narma)	5050	5300	-250
Bhiwani	B.T. Cotton	4700	4800	-100
Bhiwani*	B.T. Cotton	5200	5300	-100
Sirsa*	B.T. Cotton	4630	4660	-30
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	5405	5630	-225
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	4580	4640	-60
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		19-Sep-13	18-Sep-13	
Amravati	Mech-1	No Arrival	No Arrival	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	No Arrival	1500	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	380	230	150
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	40	120	-80
Bhiwani*	B.T. Cotton	600	500	100
Sirsa*	B.T. Cotton	100	100	Unch
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	27	35	-8
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	100	125	-25
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
				17-Sep-13	16-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	40400	40400	Unch
J-34(202)	26mm	3.5 - 4.9	23	43500	43800	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46900	46900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	47200	47200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47800	47800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48800	48800	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	57300	57300	Unch



China Cotton Index: As on 18/9/2013

Cotlook Index: As on 18/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.30	+0.35

Index	RMB/Ton	Change
CCIndex(328)	19149	+3
CCIndex(527)	16839	+2
CCIndex(229)	19979	+2

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

USDA Cotton Spot Rates: As on 18/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.54	86.79	NIL
North Delta	83.29	85.79	NIL
South Delta	83.29	85.79	NIL
East TX-OK	83.00	85.25	2960
West Texas	81.75	84.75	86
Desert SW	79.54	86.04	NIL
SJ Valley	80.04	90.69	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 18/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	84.64	85.73	84.64	85.73	0.96
Dec-13	84.44	85.59	84.11	85.54	1.10
Mar-14	84.04	85.18	83.91	85.14	0.99
May-14	83.83	84.88	83.81	84.88	0.89
Jul-14	83.45	84.43	83.45	84.43	0.75
Oct-14	80.23	80.23	80.23	80.23	0.42

Pakistan Cotton Spot rates: As on 18/9/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6800	155	6955
Equivalent	40 Kgs	7288	155	7443

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