



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bullish tone on Tuesday.
- Cotton prices are expected to move flat to bearish as new stocks have arrived in few of the market.
- Cotton production in 2013-14 is expected to rise to 38 million bales (170 kg each), 11.7 % higher from the previous season.
- Cotton Area sown till date is approximately 113.12 lakh hectares compared to 113.46 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 buying 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 | 2 | 1026.50 | 1038.50 | 1025.00 | 1032.00 |

Volumes and OI in Lots

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| Feb-14 | 0 | 0 | 14 | 0 |
| Mar-14 | 0 | 0 | 4 | 0 |
| Apr-14 | 3,013 | 822 | 5128 | 45 |

Spread

| | Feb-14 | Mar-14 | Apr-14 |
|--------|--------|--------|--------|
| Feb-14 | -- | | |
| Mar-14 | | -- | |
| Apr-14 | | | 180 |

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 | -2.00 | 1008.00 | 1014.00 | 990.00 | 1000.00 |
| Apr-14 | 1.50 | 1030.10 | 1040.00 | 1030.00 | 1035.00 |

Volumes and OI in Lots

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-----|--------|
| Mar-14 | 6 | 5 | 78 | 0 |
| Apr-14 | 70 | 14 | 185 | -3 |

Spread

| | Apr-14 | May-14 | |
|--------|--------|--------|--|
| Mar-14 | 212 | | |
| Apr-14 | | 177 | |

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 | -0.19 | 21580 | 21670 | 21300 | 21450 |
| 29-Nov-13 | -0.15 | 20450 | 20740 | 20410 | 20600 |
| 31-Dec-13 | -0.05 | 20580 | 20670 | 20380 | 20570 |
| 31-Jan-14 | 0.05 | 20730 | 20800 | 20500 | 20710 |
| 27-Feb-14 | 1.21 | 21170 | 21170 | 20920 | 20950 |

Cotton Prices at Key Spot Market:

| Centre | Variety | Prices (Rs/Qtl) | | Change |
|----------------|-------------|-----------------|------------|--------|
| | | 10-Sep-13 | 7-Sep-13 | |
| Amravati | Mech-1 | No Arrival | 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 | 6060 | 6185 | -125 |
| Fazilika | B.T. Cotton | 4700 | 4850 | -150 |
| Fazilika* | B.T. Cotton | 4500 | No Arrival | - |
| Bhiwani | B.T. Cotton | 4600 | 4500 | 100 |
| Bhiwani* | B.T. Cotton | 4800 | 4700 | 100 |
| Sirsa | B.T. Cotton | 4830 | 4825 | 5 |
| | | | | |
| Ahmedabad | Shankar-6 | No Arrival | No Arrival | - |
| Gondal | Shankar-6 | 5855 | 6005 | -150 |
| | | | | |
| Sri-Ganganagar | J-34 | No Arrival | No Arrival | - |
| Abohar | J-34 | 4825 | 4800 | 25 |
| Muktsar | J-34 | No Arrival | No Arrival | - |

* New Crop

Cotton Arrivals in Key Centers:

| Centre | Variety | Arrivals (Qtl) | | Change |
|----------------|-------------|----------------|------------|--------|
| | | 10-Sep-13 | 7-Sep-13 | |
| Amravati | Mech-1 | No Arrival | 100 | - |
| Khandwa | Mech-1 | No Arrival | No Arrival | - |
| Khargaoon | 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 | 180 | 600 | -420 |
| Fazilika | B.T. Cotton | No Arrival | No Arrival | - |
| Fazilika* | B.T. Cotton | 20 | 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 | 126 | 79 | 47 |
| | | | | |
| 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 |



Cotlook Index: As on 09/9/2013

| Cotlook Indices | Cents/Pound | Change |
|-----------------|-------------|--------|
| A-Index | 89.15 | 0.80 |

China Cotton Index: As on 10/9/2013

| Index | RMB/Ton | Change |
|--------------|---------|--------|
| CCIndex(328) | 19147 | -2 |
| CCIndex(527) | 16849 | -3 |
| CCIndex(229) | 19979 | -2 |

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

USDA Cotton Spot Rates: As on 09/9/2013

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|---------------------|---------------------|----------|
| | cents/lb. | | bales |
| Southeast | 82.46 | 85.71 | NIL |
| North Delta | 81.46 | 83.96 | NIL |
| South Delta | 81.46 | 83.96 | NIL |
| East TX-OK | 81.75 | 84.5 | 1718 |
| West Texas | 80.5 | 83.5 | NIL |
| Desert SW | 76.71 | 83.21 | NIL |
| SJ Valley | 77.71 | 88.36 | 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 09/9/2013

| Contract | Open | High | Low | Close | Change |
|----------|-------|-------|-------|-------|--------|
| Oct-13 | 83.11 | 84.18 | 83.11 | 83.71 | 0.47 |
| Dec-13 | 83.37 | 84.33 | 82.91 | 83.5 | 0.29 |
| Mar-14 | 82.62 | 83.57 | 82.45 | 83.05 | 0.46 |
| May-14 | 82.97 | 83.53 | 82.97 | 83.08 | 0.4 |
| Jul-14 | 83.15 | 83.5 | 82.98 | 82.98 | 0.24 |
| Oct-14 | 78.9 | 78.9 | 78.9 | 78.9 | 0.19 |

Pakistan Cotton Spot rates: As on 09/9/2013 (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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