

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Tuesday.
- Cotton prices in north India ruled higher amid good demands from spinners whereas it ruled steady in other markets.
- Cotton prices are likely to decline in near term as new arrivals have arrived.

Cotton Area sown till date is approximately 113.12 lakh hectares compared to 113.46 lakh hectares during the same period last year.

- Cotton production in 2013-14 is expected to rise to 38 million bales (170 kg each), 11.7 % higher from the previous season.

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	-15	971.00	971.00	971.00	971.00
Mar-14	-	0.00	0.00	0.00	0.00
Apr-14	-7.5	1035.00	1037.50	1018.00	1022.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	1	14	0
Mar-14	0	0	4	0
Apr-14	3,612	599	5215	87

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	239		
Mar-14		--	
Apr-14			187.5

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	-6.20	1012.00	1015.90	996.00	996.00
Apr-14	-7.20	1037.70	1038.20	1021.00	1025.70

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	7	1	78	0
Apr-14	92	22	184	-1

Spread

	Apr-14	May-14
Mar-14	214	
Apr-14		184.3

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	-1.68	21550	21590	21040	21050
29-Nov-13	-1.07	20690	20780	20320	20360
31-Dec-13	-0.97	20640	20780	20310	20350
31-Jan-14	-0.68	20720	20890	20460	20550
27-Feb-14	-1.71	21150	21150	20650	20650

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		11-Sep-13	8-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	No Arrival	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	6050	6060	-10
Fazilika	B.T. Cotton	4700	4700	Unch
Fazilika*	B.T. Cotton	4500	4500	Unch
Bhiwani	B.T. Cotton	4500	4600	-100
Bhiwani*	B.T. Cotton	5300	4800	500
Sirsa	B.T. Cotton	4840	4830	10
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5555	5855	-300
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	4825	4825	Unch
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		11-Sep-13	8-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	No Arrival	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	240	180	60
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	10	20	-10
Bhiwani*	B.T. Cotton	100	No Arrival	-
Sirsa	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	18	126	-108
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
				10-Sep-13	6-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38900	39400	-500
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	39400	39900	-500
J-34(202)	26mm	3.5 - 4.9	23	43100	43900	-800
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47800	48300	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	48000	48500	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48700	49300	-600
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49600	50200	-600
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch

Cotlook Index: As on 10/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.40	+0.25

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 10/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.6	86.85	329
North Delta	82.6	85.1	NIL
South Delta	82.6	85.1	NIL
East TX-OK	82.25	84.5	1086
West Texas	81	84	NIL
Desert SW	78.35	84.85	339
SJ Valley	78.85	89.5	89

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 10/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	83.9	84.85	83.9	84.85	1.14
Dec-13	83.5	84.5	83.05	84.47	0.97
Mar-14	83.05	83.88	82.62	83.76	0.71
May-14	83.02	83.74	82.66	83.32	0.24
Jul-14	83.2	83.4	82.61	82.74	-0.24
Oct-14	78.73	78.73	78.73	78.73	-0.17

Pakistan Cotton Spot rates: As on 10/9/2013 (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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