

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Wednesday.
- Cotton prices are likely to decline in near term as new arrivals have arrived in few of the markets.
- Cotton association of India increased its cotton output estimates for year 2013-14 to 37.5 million bales from 37.2 million bales last month.
- 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	-	0.00	0.00	0.00	0.00
Mar-14	-	0.00	0.00	0.00	0.00
Apr-14	4.5	1022.00	1030.00	1019.50	1025.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-1	14	0
Mar-14	0	0	4	0
Apr-14	3,150	-462	5102	-113

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			175.5

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	-6.30	1007.00	1007.00	995.00	999.00
Apr-14	12.40	1026.70	1036.10	1025.50	1036.10

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	3	-4	78	0
Apr-14	67	-25	187	3

Spread

	Apr-14	May-14	
Mar-14	202		
Apr-14		164.9	

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	1.61	21040	21650	21000	21480
29-Nov-13	0.54	20360	20670	20310	20500
31-Dec-13	0.64	20390	20660	20320	20500
31-Jan-14	0.63	20560	20820	20480	20670
27-Feb-14	-0.53	20850	20900	20760	20760

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		12-Sep-13	11-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	6005	6050	-45
Fazilika	B.T. Cotton	4700	4700	Unch
Fazilika*	B.T. Cotton	4500	4500	Unch
Bhiwani	B.T. Cotton	4800	4500	300
Bhiwani*	B.T. Cotton	5200	5300	-100
Sirsa	B.T. Cotton	4850	4840	10
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5805	5555	250
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	4700	4825	-125
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		12-Sep-13	11-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	200	240	-40
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	10	10	Unch
Bhiwani*	B.T. Cotton	200	100	100
Sirsa	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	33	18	15
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	100	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
				11-Sep-13	10-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38900	38900	Unch
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	39400	39400	Unch
J-34(202)	26mm	3.5 - 4.9	23	43300	43100	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47400	47800	-400
Shankar-6(105)	29mm	3.5 - 4.9	28	47700	48000	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48300	48700	-400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49200	49600	-400
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch



China Cotton Index: As on 12/9/2013

Cotlook Index: As on 11/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.00	+0.60

Index	RMB/Ton	Change
CCIndex(328)	19141	-2
CCIndex(527)	16836	Unch
CCIndex(229)	19978	-1

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

USDA Cotton Spot Rates: As on 11/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.55	86.8	NIL
North Delta	82.55	85.05	NIL
South Delta	82.55	85.05	NIL
East TX-OK	82.5	84.75	1674
West Texas	81.25	84.25	NIL
Desert SW	78.3	84.8	NIL
SJ Valley	78.8	89.45	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 11/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	84.6	85.01	84.6	84.8	-0.05
Dec-13	84.47	84.84	84.18	84.35	-0.12
Mar-14	83.65	84.25	83.57	83.89	0.13
May-14	83.2	83.83	83.2	83.46	0.14
Jul-14	83.22	83.37	82.77	82.91	0.17
Oct-14	78.79	78.79	78.79	78.79	0.06

Pakistan Cotton Spot rates: As on 11/9/2013 (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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