



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bullish tone on Saturday.
- 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	0.00	986.00	986.00	986.00
Mar-14	0	0.00	1003.00	1003.00	1003.00
Apr-14	4	1026.00	1031.00	1024.00	1030.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	14	0
Mar-14	0	0	4	0
Apr-14	1,400	-1,120	4978	-53

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	249		
Mar-14		232	
Apr-14			205

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	1.20	1001.90	1002.00	988.10	996.40
Apr-14	1.20	1030.10	1032.50	1028.00	1031.30

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	7	-3	79	0
Apr-14	20	-29	186	0

Spread

	Apr-14	May-14	
Mar-14	238.6		
Apr-14		203.7	

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	-1.25	21560	21650	21060	21250
29-Nov-13	-0.54	20590	20640	20310	20420
31-Dec-13	-0.68	20600	20640	20310	20400
31-Jan-14	-0.68	20760	20770	20470	20550
27-Feb-14	-0.19	20850	20920	20790	20790

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		14-Sep-13	13-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	6175	6140	35
Fazilika*	B.T. Cotton	4660	4560	100
Fazilika*	B.T. Cotton(Narma)	4900	4800	100
Bhiwani	B.T. Cotton	4550	4750	-200
Bhiwani*	B.T. Cotton	5000	5000	Unch
Sirsa*	B.T. Cotton	4625	No Arrival	-
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	5500	No Arrival	-
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	4600	4600	Unch
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		14-Sep-13	13-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	85	170	-85
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	40	20	20
Bhiwani*	B.T. Cotton	200	200	Unch
Sirsa*	B.T. Cotton	200	No Arrival	-
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	2	No Arrival	-
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	200	100	100
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
				13-Sep-13	12-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	43800	43600	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47200	47100	100
Shankar-6(105)	29mm	3.5 - 4.9	28	47500	47400	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48200	48100	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49300	49200	100
DCH-32(107)	34mm	3.0 - 3.8	33	57300	57500	-200

China Cotton Index: As on 13/9/2013

Cotlook Index: As on 13/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.35	+0.50

Index	RMB/Ton	Change
CCIndex(328)	19137	-4
CCIndex(527)	16836	Unch
CCIndex(229)	19974	-4

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

USDA Cotton Spot Rates: As on 12/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.63	87.88	NIL
North Delta	83.63	86.13	NIL
South Delta	83.63	86.13	NIL
East TX-OK	83.5	85.75	529
West Texas	82.25	85.25	NIL
Desert SW	79.38	85.88	NIL
SJ Valley	79.88	90.53	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 13/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	85.79	85.79	85.02	85.21	-0.67
Dec-13	84.75	85.15	84.25	84.46	-0.29
Mar-14	84.32	84.74	84	84.16	-0.27
May-14	84	84.33	83.61	83.72	-0.26
Jul-14	83.51	83.8	83.1	83.22	-0.26
Oct-14	78.87	78.87	78.87	78.87	-0.41

Pakistan Cotton Spot rates: As on 12/9/2013 (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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