



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Tuesday.
- Arrivals of newly harvested cotton in the market may drop down the prices of same.
- Cotton production is estimated to be 37 million bales as per the market participants, in year 2013-14.
- 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	-986	0.00	0.00	0.00	0.00
Mar-14	-1003	0.00	0.00	0.00	0.00
Apr-14	-2.5	1032.00	1038.00	1025.50	1030.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	14	0
Mar-14	0	-2	4	0
Apr-14	2,625	-570	5198	-123

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			225

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	10.50	1004.00	1008.00	999.00	1003.00
Apr-14	-3.60	1035.30	1038.20	1029.00	1031.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	6	0	80	-1
Apr-14	40	-12	178	1

Spread

	Apr-14	May-14	
Mar-14	252		
Apr-14		224	

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	-0.19	21000	21120	20810	20980
29-Nov-13	0	20250	20380	20110	20260
31-Dec-13	0.25	20270	20420	20160	20320
31-Jan-14	-0.05	20530	20580	20300	20470
27-Feb-14	0.05	20760	20760	20540	20670

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		17-Sep-13	16-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	5750	No Arrival	-
Muktsar	B.T. Cotton	4650	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	6275	6235	40
Fazilika*	B.T. Cotton	4650	4625	25
Fazilika*	B.T. Cotton(Narma)	5200	5100	100
Bhiwani	B.T. Cotton	4800	4800	Unch
Bhiwani*	B.T. Cotton	5350	5200	150
Sirsa*	B.T. Cotton	4650	4650	Unch
Ahmedabad	Shankar-6	5700	No Arrival	-
Gondal*	Shankar-6	5655	5880	-225
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	4650	4625	25
Muktsar	J-34	4650	No Arrival	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		17-Sep-13	16-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	1500	No Arrival	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	260	220	40
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	80	50	30
Bhiwani*	B.T. Cotton	500	300	200
Sirsa*	B.T. Cotton	100	400	-300
Ahmedabad	Shankar-6	100	No Arrival	-
Gondal*	Shankar-6	47	70	-23
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	60	100	-40
Muktsar	J-34	400	No Arrival	-

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				16-Sep-13	14-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	39900	500
J-34(202)	26mm	3.5 - 4.9	23	43800	43800	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46900	47200	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	47200	47500	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47800	48200	-400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48800	49300	-500
DCH-32(107)	34mm	3.0 - 3.8	33	57300	57300	Unch

China Cotton Index: As on 17/9/2013

Cotlook Index: As on 16/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.30	-0.50

Index	RMB/Ton	Change
CCIndex(328)	19146	+4
CCIndex(527)	16837	+1
CCIndex(229)	19977	+1

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

USDA Cotton Spot Rates: As on 16/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.75	87.00	NIL
North Delta	82.75	85.25	NIL
South Delta	82.75	85.25	NIL
East TX-OK	82.50	84.75	67
West Texas	81.25	84.25	NIL
Desert SW	78.50	85.00	NIL
SJ Valley	79.00	89.65	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 16/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	84.80	85.00	84.80	85.00	-0.21
Dec-13	84.46	84.55	83.70	84.00	-0.46
Mar-14	83.93	84.36	83.58	83.79	-0.37
May-14	83.37	83.97	83.37	83.49	-0.23
Jul-14	82.87	83.58	82.87	83.08	-0.14
Oct-14	79.26	79.26	79.26	79.26	+0.39

Pakistan Cotton Spot rates: As on 16/9/2013 (in Pakistan Rupees):

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6900	155	7055
Equivalent	40 Kgs	7395	155	7550

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