



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Wednesday.
- 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	-	0.00	0.00	0.00	0.00
Mar-14	-	995.00	0.00	0.00	0.00
Apr-14	-3.5	1028.00	1029.50	1022.50	1026.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	14	0
Mar-14	2	2	4	0
Apr-14	2,134	-491	4986	-212

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			214.5

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	-3.00	987.60	1001.00	987.60	1001.00
Apr-14	-0.90	1031.60	1031.60	1026.00	1030.40

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	2	-4	80	0
Apr-14	35	-5	179	1

Spread

	Apr-14	May-14	
Mar-14	240		
Apr-14		210.6	

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	20800	21030	20760	20940
29-Nov-13	-0.15	20220	20250	20060	20220
31-Dec-13	-0.25	20260	20290	20130	20240
31-Jan-14	-0.49	20400	20400	20250	20350
27-Feb-14	-0.53	20450	20560	20400	20560

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		18-Sep-13	17-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	5875	5750	125
Muktsar	B.T. Cotton	No Arrival	4650	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	6205	6275	-70
Fazilika*	B.T. Cotton	4650	4650	Unch
Fazilika*	B.T. Cotton(Narma)	5300	5200	100
Bhiwani	B.T. Cotton	4800	4800	Unch
Bhiwani*	B.T. Cotton	5300	5350	-50
Sirsa*	B.T. Cotton	4660	4650	10
Ahmedabad	Shankar-6	No Arrival	5700	-
Gondal*	Shankar-6	5630	5655	-25
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	4640	4650	-10
Muktsar	J-34	No Arrival	4650	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		18-Sep-13	17-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	1500	Unch
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	230	260	-30
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	120	80	40
Bhiwani*	B.T. Cotton	500	500	Unch
Sirsa*	B.T. Cotton	100	100	Unch
Ahmedabad	Shankar-6	No Arrival	100	-
Gondal*	Shankar-6	35	47	-12
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	125	60	65
Muktsar	J-34	No Arrival	400	-

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				17-Sep-13	16-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	40400	Unch
J-34(202)	26mm	3.5 - 4.9	23	43500	43800	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46900	46900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	47200	47200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47800	47800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48800	48800	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	57300	57300	Unch

China Cotton Index: As on 18/9/2013
Cotlook Index: As on 17/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.95	-0.35

Index	RMB/Ton	Change
CCIndex(328)	19149	+3
CCIndex(527)	16839	+2
CCIndex(229)	19979	+2

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

USDA Cotton Spot Rates: As on 17/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.44	85.69	NIL
North Delta	82.19	84.69	NIL
South Delta	82.19	84.69	NIL
East TX-OK	82.00	84.25	2037
West Texas	80.75	83.75	NIL
Desert SW	78.44	84.94	NIL
SJ Valley	78.94	89.59	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 17/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	85.12	85.12	84.77	84.77	-0.23
Dec-13	84.10	85.02	83.90	84.44	+0.44
Mar-14	83.92	84.72	83.86	84.15	+0.36
May-14	83.90	84.28	83.66	83.99	+0.50
Jul-14	83.56	83.89	83.18	83.68	+0.60
Oct-14	79.81	79.81	79.81	79.81	+0.55

Pakistan Cotton Spot rates: As on 17/9/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6850	155	7005
Equivalent	40 Kgs	7341	155	7496

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