



### Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed bearish tone on Friday.
- New arrivals have begun to arrive in markets of Punjab and Haryana, leading downtrends in the prices.
- Cotton production is estimated to be 37 million bales as per the market participants, in year 2013-14.
- Better crop prospects may support the weak sentiments for cotton in future.
- 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

- China cotton production is likely to decline by 5.7% in forthcoming cotton season, as reported by USDA.
- 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 long liquidation in market.
- Chinese cotton textile manufacturers have asked the government to introduce direct subsidies to farmers and stabilize domestic prices.

**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	9	989.50	989.50	989.50	989.50
Apr-14	-9	1011.50	1012.00	1001.50	1003.5

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	14	0
Mar-14	10	8	5	1
Apr-14	4,145	2,011	5071	85

#### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		252.5	
Apr-14			238.5

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	-13.30	982.00	982.00	968.50	969.60
Apr-14	-7.90	1010.60	1013.00	1006.00	1006.90

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	9	7	76	-4
Apr-14	42	7	193	14

#### Spread

	Apr-14	May-14
Mar-14	272.4	
Apr-14		235.1

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
<b>31-Oct-13</b>	-0.1	Open(Rs)	High(Rs)	Low(Rs)	LTP(Rs)
<b>29-Nov-13</b>	-0.59	20400	20410	20340	20410
<b>31-Dec-13</b>	-0.79	20260	20270	20170	20180
<b>31-Jan-14</b>	-0.8	20140	20150	19970	20000
<b>27-Feb-14</b>	-1.06	20120	20120	19910	19940

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		20-Sep-13	19-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	6210	6250	-40
Fazilika*	B.T. Cotton	4600	4650	-50
Fazilika*	B.T. Cotton(Narma)	5000	5050	-50
Bhiwani	B.T. Cotton	4550	4700	-150
Bhiwani*	B.T. Cotton	5200	5200	Unch
Sirsa*	B.T. Cotton	4550	4630	-80
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	5755	5405	350
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	4550	4580	-30
Muktsar	J-34	No Arrival	No Arrival	-

\* New Crop

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		20-Sep-13	19-Sep-13	
Amravati	Mech-1	No Arrival	No Arrival	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaan	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	380	-140
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	100	40	60
Bhiwani*	B.T. Cotton	600	600	Unch
Sirsa*	B.T. Cotton	100	100	Unch
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	130	27	103
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	150	100	50
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
				19-Sep-13	17-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38500	39400	-900
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39500	40400	-900
J-34(202)	26mm	3.5 - 4.9	23	42400	43500	-1100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46400	46900	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	46900	47200	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47500	47800	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48500	48800	-300
DCH-32(107)	34mm	3.0 - 3.8	33	57300	57300	Unch



### Cotlook Index: As on 19/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.30	<b>+0.35</b>

### China Cotton Index: As on 18/9/2013

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

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

### USDA Cotton Spot Rates: As on 19/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.72	85.97	<b>NIL</b>
North Delta	82.47	84.97	<b>58</b>
South Delta	82.47	84.97	<b>NIL</b>
East TX-OK	83.25	85.50	<b>1661</b>
West Texas	82.00	85.00	<b>NIL</b>
Desert SW	78.72	85.22	<b>NIL</b>
SJ Valley	79.22	89.87	<b>NIL</b>

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 19/9/2013

Contract	Open	High	Low	Close	Change
<b>Oct-13</b>	85.50	85.50	85.10	85.34	<b>-0.39</b>
<b>Dec-13</b>	85.50	85.78	84.20	84.72	<b>-0.82</b>
<b>Mar-14</b>	84.97	85.32	83.93	84.46	<b>-0.68</b>
<b>May-14</b>	84.93	85.01	83.78	84.25	<b>-0.63</b>
<b>Jul-14</b>	84.44	84.50	83.30	83.83	<b>-0.60</b>
<b>Oct-14</b>	79.78	79.78	79.78	79.78	<b>-0.45</b>

### Pakistan Cotton Spot rates: As on 19/9/2013 (in Pakistan Rupees)

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

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