



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Saturday.
- 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 113.60 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	-16	989.50	989.50	973.50	973.50
Apr-14	5.5	1003.00	1011.50	1003.00	1009.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	14	0
Mar-14	11	1	25	20
Apr-14	2,627	-1,518	4690	-381

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		238.5	
Apr-14			203

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	3.60	978.50	979.00	978.50	978.80
Apr-14	2.60	998.00	1011.90	998.00	1010.30

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	2	-7	76	0
Apr-14	104	62	211	18

Spread

	Apr-14	May-14
Mar-14	233.2	
Apr-14		201.7

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	-0.1	20400	20410	20340	20410
29-Nov-13	-0.59	20260	20270	20170	20180
31-Dec-13	-0.79	20140	20150	19970	20000
31-Jan-14	-0.8	20120	20120	19910	19940
27-Feb-14	-1.06	20790	20860	20540	20580

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		21-Sep-13	20-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	6060	6210	-150
Fazilika*	B.T. Cotton	4450	4600	-150
Fazilika*	B.T. Cotton(Narma)	5050	5000	50
Bhiwani	B.T. Cotton	4500	4550	-50
Bhiwani*	B.T. Cotton	5200	5200	Unch
Sirsa*	B.T. Cotton	4520	4550	-30
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	5755	5755	Unch
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	4500	4550	-50
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		21-Sep-13	20-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		-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	540	240	300
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	80	100	-20
Bhiwani*	B.T. Cotton	300	600	-300
Sirsa*	B.T. Cotton	150	100	50
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	101	130	-29
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	300	150	150
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
				21-Sep-13	19-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38500	38500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39500	39500	Unch
J-34(202)	26mm	3.5 - 4.9	23	41900	42400	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46400	46400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	46900	46900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47500	47500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48500	48500	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 20/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.75	-0.70

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 20/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.52	85.77	NIL
North Delta	82.27	84.77	NIL
South Delta	82.27	84.77	NIL
East TX-OK	82.5	84.75	762
West Texas	81.25	84.25	NIL
Desert SW	78.52	85.02	NIL
SJ Valley	79.02	89.67	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 20/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	84.88	84.88	82.84	83.33	-2.01
Dec-13	84.66	85.3	84.07	84.52	-0.20
Mar-14	84.54	85.05	84.05	84.41	-0.05
May-14	84.76	84.76	83.86	84.25	unch
Jul-14	84.3	84.3	83.65	83.88	0.05
Oct-14	79.78	79.78	79.78	79.78	unch

Pakistan Cotton Spot rates: As on 20/9/2013 (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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