

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Friday.
- Expectation of delay in arrivals raised the prices of cotton in many of the key markets.
- Country is expecting good yield due to good rain and BT cotton this year, which would lower down the prices of 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 production is estimated to be 37 million bales as per the market participants, in year 2013-14.

Cotton International Fundamentals

- Cotton production in China is expected to be around 6.3 million metric tons this year, down by 5.6% from previous year.
- ICE cotton December contract touched the value of 84.50 cents/lbs, 0.21 points higher.
- USDA World cotton production estimates for this month are higher as compared to previous month as India gains the higher production this year.
- Global cotton production is likely to decline to 25.5 million tons in 2013-14, as reported by market participants.

Outlook: We expect domestic cotton prices to notice bullish tone amid delay in the arrivals due to rains.

NCDEX Kapas Futures Closed: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-14	-10.5	930.00	930.00	930.00	930.00
Mar-14	-8	960.00	960.00	960.00	960
Apr-14	-6.5	996.00	996.50	985.00	992.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	1	15	0
Mar-14	1	0	4	0
Apr-14	6,292	1,583	5182	-411

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	270		
Mar-14		240	
Apr-14			207.5

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	-6.50	960.00	965.60	956.00	965.60
Apr-14	-4.90	995.70	995.90	987.80	994.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
	--	--	15	0
Mar-14	15	2	78	-1
Apr-14	146	56	227	-2

Spread

	Apr-14	May-14	
Mar-14	234.4		
Apr-14		206	

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	0.84	21360	21690	21150	21640
29-Nov-13	0.64	20240	20480	20200	20470
31-Dec-13	0.3	20190	20350	20160	20340
31-Jan-14	0.2	20360	20530	20320	20510
27-Feb-14	0.78	20600	20670	20490	20670

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		27-Sep-13	26-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	6000	-	-
Fazilika*	B.T. Cotton	4550	4550	Unch
Fazilika*	B.T. Cotton(Narma)	4625	5200	50
Bhiwani	B.T. Cotton	4625	4600	25
Bhiwani*	B.T. Cotton	5325	5350	-25
Sirsa*	B.T. Cotton	4625	4600	25
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	-	-	-
Sri-Ganganagar	J-34	4610	4600	10
Abohar*	J-34	4600	4475	125
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		27-Sep-13	26-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	210	-	-
Fazilika*	B.T. Cotton	200	250	-50
Bhiwani*	B.T. Cotton	500	600	-100
Sirsa*	B.T. Cotton	680	340	340
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	-	-	-
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	850	510	340
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
				26-Sep-13	25-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38000	38000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39000	39000	Unch
J-34(202)	26mm	3.5 - 4.9	23	42100	41800	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47500	47000	500
Shankar-6(105)	29mm	3.5 - 4.9	28	48200	47500	700
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48700	48200	500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49300	48800	500
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57000	500

Cotlook Index: As on 26/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.55	+0.25

China Cotton Index: As on 27/9/2013

Index	RMB/Ton	Change
CCIndex(328)	19162	+2
CCIndex(527)	16853	Unch
CCIndex(229)	19986	+1

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

USDA Cotton Spot Rates: As on 26/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.47	86.72	85
North Delta	83.22	85.72	NIL
South Delta	83.22	85.72	NIL
East TX-OK	83.75	86.00	1718
West Texas	82.50	85.50	NIL
Desert SW	79.47	85.97	NIL
SJ Valley	79.97	90.62	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 26/9/2013

Contract	Open	High	Low	Close	Change
Oct-13	84.69	84.69	84.50	84.50	0.77
Dec-13	84.79	85.58	84.65	85.47	0.82
Mar-14	84.52	85.30	84.51	85.18	0.76
May-14	84.65	85.28	84.62	85.15	0.65
Jul-14	84.50	84.90	84.42	84.82	0.45
Oct-14	80.67	80.67	80.67	80.67	0.40

Pakistan Cotton Spot rates: As on 26/9/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7100	155	7255
Equivalent	40 Kgs	7609	155	7764

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