

**Cotton Domestic Fundamentals:**

- Cotton prices in domestic markets noticed steady to firm tone on Saturday.
- Arrivals will be delayed in Gujarat amid rains during the week.
- Demand from the spinners lend support to the market.
- 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 114.37 lakh hectares compared to 116.04 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 futures closed higher amid concerns of crop production in India, China and U.S.
- USDA World cotton production estimates for this month are higher as compared to previous month as India gains the higher production this year.
- Cotton prices in Pakistan noticed firm tone amid good demand from spinners.
- 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 steady to firm tone in the near –term amid delay in arrivals.

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

Contract	+/-	Open	High	Low	Close
Feb-14					
Mar-14	6	966.00	966.00	965.00	966.00
Apr-14	-7	994.50	995.00	985.00	986.00

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-14				
Mar-14	22	21	4	0
Apr-14	2,613	-3,679	5309	127

**Spread**

	Feb-14	Mar-14	Apr-14
Feb-14	295		
Mar-14		259	
Apr-14			239

**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	-3.70	957.00	957.00	956.00	956.50
Apr-14	-9.20	992.50	996.00	987.60	989.70

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-14	2	-13	78	0
Apr-14	16	-130	228	1

**Spread**

	Apr-14	May-14
Mar-14	268.5	
Apr-14		235.3

**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	-0.65	21620	21730	21480	21480
29-Nov-13	-0.49	20440	20580	20330	20360
31-Dec-13	-0.3	20330	20500	20260	20260
31-Jan-14	-0.15	20500	20650	20430	20460
27-Feb-14	0.05	20720	20780	20600	20640

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		28-Sep-13	27-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	6125	6000	125
Fazilika*	B.T. Cotton	4600	4550	50
Fazilika*	B.T. Cotton(Narma)	5250	5250	Unch
Bhiwani	B.T. Cotton	4650	4625	25
Bhiwani*	B.T. Cotton	5350	5325	25
Sirsa*	B.T. Cotton	4630	4625	5
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	-	-	-
Sri-Ganganagar	J-34	4620	4610	10
Abohar*	J-34	4625	4600	25
Muktsar	J-34	No Arrival	No Arrival	-

\* New Crop

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		28-Sep-13	27-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	345	210	135
Fazilika*		200	200	Unch
Bhiwani*	B.T. Cotton	800	500	300
Sirsa*	B.T. Cotton	680	680	Unch
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal*	Shankar-6	-	-	-
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	510	850	-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
				27-Sep-13	26-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	42400	42100	300
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	47500	47500	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	48200	48200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48700	48700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49300	49300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch

### Cotlook Index: As on 27/9/2013

Cotlook Indices	Cents/Pound	Change
A-Index	91.45	<b>+0.90</b>

### China Cotton Index: As on 27/9/2013

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

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

### USDA Cotton Spot Rates: As on 27/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.63	87.88	<b>NIL</b>
North Delta	84.38	86.88	<b>NIL</b>
South Delta	84.38	86.88	<b>NIL</b>
East TX-OK	85.00	87.25	<b>1866</b>
West Texas	83.75	86.75	<b>NIL</b>
Desert SW	80.63	87.13	<b>NIL</b>
SJ Valley	81.13	91.78	<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 26/9/2013

Contract	Open	High	Low	Close	Change
<b>Oct-13</b>	85.66	85.66	85.66	85.66	<b>1.16</b>
<b>Dec-13</b>	85.48	86.98	85.48	86.63	<b>1.16</b>
<b>Mar-14</b>	85.35	86.63	85.35	86.34	<b>1.16</b>
<b>May-14</b>	85.24	86.45	85.24	86.29	<b>1.14</b>
<b>Jul-14</b>	84.87	85.92	84.87	85.79	<b>0.97</b>
<b>Oct-14</b>	81.34	81.34	81.34	81.34	<b>0.67</b>

### Pakistan Cotton Spot rates: As on 27/9/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	7250	155	7405
<b>Equivalent</b>	40 Kgs	7770	155	7925

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