

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed weak tone on Thursday.
- Cotton prices in most of the market stood unchanged due to sluggish demand.
- Lackluster trading activities have been reported amid delay in arrivals.
- 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 bullish tone in the near term amid delay in arrivals.

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

Contract	+/-	Open	High	Low	Close
Feb-14	-5.5	921.50	941.00	921.50	935.00
Mar-14	-17.5	970.00	978.50	960.00	961
Apr-14	-18.5	1015.00	1021.00	993.00	996.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	5	5	15	0
Mar-14	23	-22	32	2
Apr-14	5,734	-3,323	5210	-109

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	340		
Mar-14		314	
Apr-14			278.5

NB: Spread was done by taking avg spot prices at Rajkot – B.T. Cotton market. Basis = Spot- April

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

Contract	+/-	Open	High	Low	Close
Mar-14	-11.80	982.00	982.00	965.50	967.90
Apr-14	-18.40	1012.00	1012.90	997.50	997.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	35	11	77	-7
Apr-14	132	-14	230	11

Spread

	Apr-14	May-14
Mar-14	307.1	
Apr-14		277.5

NB: Spread was done by taking avg spot prices at Rajkot – B.T.Cotton market. Basis = Spot- April

MCX Cotton Futures Closed (29 mm Variety):

Contract	% Change	Open	High	Low	Close
31-Oct-13	-1.59	21960	21960	21630	21690
29-Nov-13	-1.11	20680	20760	20480	20540
31-Dec-13	-1.17	20520	20520	20310	20350
31-Jan-14	-1.25	20690	20690	20500	20530
27-Feb-14	-1.1	20820	20840	20700	20700
31-Mar-14	-0.19	20850	20850	20850	20850

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		3-10-2013	1-10-2013	
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	4680	4675	5
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	6375	6275	100
Fazilika	B.T. Cotton	4675	4650	25
Fazilika*	B.T. Cotton	5225	5300	-75
Bhiwani	B.T. Cotton	4550	4650	-100
Bhiwani*	B.T. Cotton	5300	5400	-100
Sirsa	B.T. Cotton	4670	4660	10
Ahmedabad	Shankar-6	5750	5750	Unch
Gondal	Shankar-6	6305	No Arrival	-
Sri-Ganganagar	J-34	4625	4640	-15
Abohar	J-34	4680	4675	5
Muktsar	J-34	4680	4675	5

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals		Change
		3-10-2013	1-10-2013	
Amravati	Mech-1	No Arrival	No Arrival	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahešana(Kadi)	B.T. Cotton	No Arrival	No Arrival	-
Muktsar	B.T. Cotton	255	255	Unch
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	1400	820	580
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	700	150	550
Bhiwani*	B.T. Cotton	2000	2000	Unch
Sirsa	B.T. Cotton	1020	510	510
Ahmedabad	Shankar-6	1000	1000	Unch
Gondal	Shankar-6	325	No Arrival	-
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	1190	680	510
Muktsar	J-34	255	255	Unch

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				01-Oct-13	30-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	42900	42400	+500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47800	47500	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	48500	48200	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48900	48700	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49500	49300	+200
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch



China Cotton Index: As on 30/9/2013

Cotlook Index: As on 2/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	92.40	-0.65

Index	RMB/Ton	Change
CCIndex(328)	19158	-3
CCIndex(527)	16850	Unch
CCIndex(229)	19985	0

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

USDA Cotton Spot Rates: As on 30/9/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.21	88.46	NIL
North Delta	84.96	87.46	NIL
South Delta	84.96	87.46	NIL
East TX-OK	85.00	87.25	814
West Texas	83.75	86.75	NIL
Desert SW	81.21	87.71	NIL
SJ Valley	81.71	92.36	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 2/10/2013

Contract	Open	High	Low	Close	Change
Oct-13	85.22	85.22	85.22	85.22	+0.27
Dec-13	86.95	87.21	86.57	86.87	+0.27
Mar-14	86.67	87.00	86.49	86.79	+0.40
May-14	86.74	86.92	86.60	86.73	+0.39
Jul-14	86.20	86.41	86.11	86.28	+0.38
Oct-14	82.08	82.08	82.08	82.08	+0.53

Pakistan Cotton Spot rates: As on 2/10/2013 (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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