



### Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed weak tone on Tuesday.
- New arrivals are gradually picking up the pace in most of the markets, making prices to move down.
- Cotton futures are likely to fall in coming week on expectation of higher production this year.
- Cotton Area sown till date is approximately 114.51 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.
- Incentives from export of cotton and cotton yarn have been withdrawn, which would make exports less lucrative and domestic prices to move down in future.

### Cotton International Fundamentals

- In Australia, cotton sowing area is expected to decline by 2% in season 2013-14
- Global cotton prices are above their long term average, as China keeps its domestic prices 50 percent above the current international prices.
- USDA World cotton production estimates for this month are higher as compared to previous month as India gains the higher production this year.
- Pakistan cotton production is expected to be 14 million in FY 2012-13.
- 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 weak tone in near term as there is surplus on supply side and buyer are not buying much.

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

Contract	+/-	Open	High	Low	Close
Feb-14	0.00	0.00	0.00	0.00	0.00
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	10.5	990.00	1009.00	987.00	1004.00

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	15	0
Mar-14	0	0	32	0
Apr-14	7,831	2,236	5933	-209

#### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			246

**NB:** Spread was done by taking avg spot prices at Rajkot of 4  
– B.T. Cotton market. Basis = Spot- April

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

Contract	+/-	Open	High	Low	Close
Mar-14	4.20	960.40	970.00	951.00	970.00
Apr-14	7.10	992.00	1010.50	990.80	1004.00

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	16	14	80	-4
Apr-14	168	110	240	-11

#### Spread

	Apr-14	May-14	
Mar-14	280		
Apr-14		246	

**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	0.09	21200	21430	20860	21360
29-Nov-13	0.1	19710	20280	19510	20120
31-Dec-13	0.05	19800	20250	19790	20140
31-Jan-14	-0.29	20180	20410	19990	20300
27-Feb-14	0.05	20330	20630	20250	20600
31-Mar-14	-1.14	20600	20750	20600	20750

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		8-Oct-13	7-Oct-13	
Amravati	Mech-1	No Arrival	No Arrival	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaoon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	6250	6250	Unch
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	6175	6255	-80
Rajkot	B.T. Cotton	6250	6450	-200
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	4450	4565	-115
Ahmedabad	Shankar-6	5250	5750	-500
Gondal*	Shankar-6	5655	6105	-450
Sri-Ganganagar	J-34	4525	4580	-55
Abohar*	J-34	4475	4630	-155
Muktsar	J-34	4580	4600	-20

\* New Crop

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		8-Oct-13	7-Oct-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	4	3	1
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	1584	1521	63
Rajkot	B.T. Cotton	7050	700	6350
Fazilika*	B.T. Cotton	600	600	Unch
Bhiwani*	B.T. Cotton	1200	1500	-300
Sirsa*	B.T. Cotton	800	800	Unch
Ahmedabad	Shankar-6	8000	11000	-3000
Gondal*	Shankar-6	951	1858	-907
Sri-Ganganagar	J-34	1500	1500	Unch
Abohar*	J-34	800	700	100
Muktsar	J-34	200	100	100

\* New Crop

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				7-Oct-13	5-Oct-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37300	38000	-700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38300	39000	-700
J-34(202)	26mm	3.5 - 4.9	23	42400	43100	-700
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	47200	47500	-300
Shankar-6(105)	29mm	3.5 – 4.9	28	47500	48200	-700
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47900	48600	-700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48500	49200	-700
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch



### China Cotton Index: As on 30/9/2013

### Cotlook Index: As on 7/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	92.95	<b>-0.20</b>

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

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	<b>NIL</b>
North Delta	84.96	87.46	<b>NIL</b>
South Delta	84.96	87.46	<b>NIL</b>
East TX-OK	85.00	87.25	<b>814</b>
West Texas	83.75	86.75	<b>NIL</b>
Desert SW	81.21	87.71	<b>NIL</b>
SJ Valley	81.71	92.36	<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 7/10/2013

Contract	Open	High	Low	Close	Change
<b>Oct-13</b>	82.57	82.57	82.57	82.57	<b>-3</b>
<b>Dec-13</b>	87.12	87.12	83.6	84.02	<b>-3</b>
<b>Mar-14</b>	87.15	87.15	84.1	84.45	<b>-2.68</b>
<b>May-14</b>	85.9	86.39	84.29	84.41	<b>-2.67</b>
<b>Jul-14</b>	85.5	86.01	84	84.1	<b>-2.58</b>
<b>Oct-14</b>	80	80	80	80	<b>-2.28</b>

### Pakistan Cotton Spot rates: As on 7/10/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	7000	155	7155
<b>Equivalent</b>	40 Kgs	7502	155	7657

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