



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Wednesday.
- Prices moved slightly up in north India and Maharashtra.
- 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- Incentives from export of cotton and cotton yarn have been withdrawn, which would make exports less lucrative and domestic prices to move down in future.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	1007.00	1012.00	992.00	993.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	15	0
Mar-14	0	0	32	0
Apr-14	7,131	1,536	5812	-330

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			156.5

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	-2.70	970.00	978.50	963.50	964.30
Apr-14	-10.00	1008.60	1012.00	994.60	995.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	14	12	79	-5
Apr-14	148	90	231	-20

Spread

	Apr-14	May-14
Mar-14	185.7	
Apr-14		154.5

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	-0.19	21530	21620	21270	21380
29-Nov-13	-0.35	20250	20400	20030	20110
31-Dec-13	-0.25	20280	20360	20050	20130
31-Jan-14	-0.1	20380	20560	20230	20320
27-Feb-14	-0.24	20600	20720	20420	20520

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		9-Oct-13	8-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	5500	6250	-750
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	5260	6175	-915
Rajkot	B.T. Cotton	5750	6250	-500
Fazilika*	B.T. Cotton	4520	4600	-80
Fazilika*	B.T. Cotton(Narma)	5085	5250	-165
Bhiwani	B.T. Cotton	4550	4650	-100
Bhiwani*	B.T. Cotton	5100	5350	-250
Sirsa*	B.T. Cotton	4485	4450	35
Ahmedabad	Shankar-6	5750	5250	500
Gondal*	Shankar-6	5155	5655	-500
Sri-Ganganagar	J-34	4510	4525	-15
Abohar*	J-34	4510	4475	35
Muktsar	J-34	4520	4580	-60

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		9-Oct-13	8-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	6	4	2
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	830	1584	-754
Rajkot	B.T. Cotton	6000	7050	-1050
Fazilika*	B.T. Cotton	400	600	-200
Bhiwani*	B.T. Cotton	1700	1200	500
Sirsa*	B.T. Cotton	800	800	Unch
Ahmedabad	Shankar-6	4000	8000	-4000
Gondal*	Shankar-6	965	951	14
Sri-Ganganagar	J-34	1500	1500	Unch
Abohar*	J-34	800	800	Unch
Muktsar	J-34	125	200	-75

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				8-Oct-13	7-Oct-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37500	37300	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38500	38300	+200
J-34(202)	26mm	3.5 - 4.9	23	42400	42400	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46700	47200	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	47000	47500	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47600	47900	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48300	48500	-200
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch



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

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

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

Cotlook Index: As on 8/10/2013:

Cotlook Indices	Cents/Pound	Change
A-Index	89.95	-3

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 8/10/2013:

Contract	Open	High	Low	Close	Change
Oct-13	82.19	82.19	82.19	82.19	-0.38
Dec-13	84.02	84.75	83.63	83.69	-0.33
Mar-14	84.45	85	84.1	84.15	-0.3
May-14	84.12	84.95	84.03	84.08	-0.33
Jul-14	83.85	84.7	83.85	83.85	-0.25
Oct-14	79.85	79.85	79.85	79.85	-0.15

Pakistan Cotton Spot rates: As on 8/10/2013 (in Pakistan Rupees):

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

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