



### Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Thursday.
- Prices ruled slightly lower in north India amid higher arrivals, stood stable in other markets.
- 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- Incentives from export of cotton and cotton yarn have been withdrawn, which would make exports less lucrative and domestic prices to move down in future.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	-1	965.00	965.00	965.00	965.00
Apr-14	8	996.00	1009.50	994.50	1003.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	15	0
Mar-14	1	1	32	0
Apr-14	6,450	-681	5925	113

#### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		215	
Apr-14			176.5

**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	1.90	957.20	973.00	957.20	973.00
Apr-14	7.00	999.00	1010.50	997.00	1004.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	3	-11	81	2
Apr-14	131	-17	234	3

#### Spread

	Apr-14	May-14
Mar-14	207	
Apr-14		175.5

**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	21450	21560	21300	21360
29-Nov-13	0.2	20200	20320	20110	20150
31-Dec-13	0.1	20160	20320	20130	20140
31-Jan-14	0.1	20370	20500	20310	20330
27-Feb-14	0.05	20530	20690	20500	20500

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		10-Oct-13	9-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	6000	5500	500
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	6205	5260	945
Rajkot	B.T. Cotton	5900	5750	150
Fazilika*	B.T. Cotton	3950	4520	-570
Fazilika*	B.T. Cotton(Narma)	4950	5085	-135
Bhiwani	B.T. Cotton	4625	4550	75
Bhiwani*	B.T. Cotton	5250	5100	150
Sirsa*	B.T. Cotton	4500	4485	15
Ahmedabad	Shankar-6	5000	5750	-750
Gondal*	Shankar-6	No Arrival	5155	-
Sri-Ganganagar	J-34	4510	4510	Unch
Abohar*	J-34	4530	4510	20
Muktsar	J-34	4530	4520	10

\* New Crop

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		10-Oct-13	9-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	5	6	-1
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	1657	830	827
Rajkot	B.T. Cotton	5000	6000	-1000
Fazilika*	B.T. Cotton	500	400	100
Bhiwani*	B.T. Cotton	2000	1700	300
Sirsa*	B.T. Cotton	1360	1360	Unch
Ahmedabad	Shankar-6	7000	4000	3000
Gondal*	Shankar-6	No Arrival	965	-
Sri-Ganganagar	J-34	2000	1500	500
Abohar*	J-34	1020	1360	-340
Muktsar	J-34	255	213	42

\* New Crop

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				9-Oct-13	8-Oct-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37500	37500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38500	38500	Unch
J-34(202)	26mm	3.5 - 4.9	23	-	42400	-
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	45500	46700	-1200
Shankar-6(105)	29mm	3.5 – 4.9	28	45500	47000	-1500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46500	47600	-1100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	48300	-
DCH-32(107)	34mm	3.0 - 3.8	33	56500	57500	-1000



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

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

Cotlook Indices	Cents/Pound	Change
A-Index	89.70	-0.25

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 9/10/2013

Contract	Open	High	Low	Close	Change
Oct-13	81.95	81.95	81.95	81.95	-0.24
Dec-13	83.65	83.9	83.1	83.2	-0.49
Mar-14	84.15	84.47	83.86	83.98	-0.17
May-14	84.3	84.3	84	84.17	0.09
Jul-14	83.85	84.2	83.85	84.04	0.19
Oct-14	80.04	80.04	80.04	80.04	0.19

### Pakistan Cotton Spot rates: As on 9/10/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6950	155	7105
Equivalent	40 Kgs	7448	155	7603

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