



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Tuesday.
- Cotton prices ruled higher in Rajkot, Patan, Ahmedabad and Gondal whereas it traded lower in Mahesana, Sirsa, Bhiwani and Fazilika.
- Prices are likely to be range –bound amid increase in arrivals and demand for the new crop from the spinning mills.
- Cotton output is likely to be lower than the earlier estimates amid rains in Gujarat and Maharashtra and likely cyclone in Andhra Pradesh.
- Cotton production is estimated to be 37-37.5 million bales in year 2013-14, as Textile Minister K.S. Rao said.
- Union Textile Minister K.S.Rao would soon take up with the Ministry of Commerce the issue of restoration of export incentives given to cotton and cotton yarn under Focus Market Scheme (FMS).
- Cotton Area sown till date is approximately 114.67 lakh hectares compared to 117.29 lakh hectares during the same period last year

Cotton International Fundamentals

- Vietnam has emerged as fifth largest cotton Importer, with import sentiments of 6 lakh tons in year 2013.
- 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.
- 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 sideways trends amid fresh arrivals.

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

Contract	+/-	Open	High	Low	Close
Feb-14	-14.5	926.00	926.00	926.00	926.00
Mar-14	-15	960.00	960.00	960.00	960.00
Apr-14	3.5	992.50	999.50	991.00	997.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	1	15	0
Mar-14	1	1	32	0
Apr-14	4,468	1,178	6713	6

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	264		
Mar-14		230	
Apr-14			193

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	4.50	967.50	967.50	957.90	965.90
Apr-14	4.90	995.20	1003.00	995.20	1000.90

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	11	11	84	2
Apr-14	62	5	237	-17

Spread

	Apr-14	May-14
Mar-14	224.1	
Apr-14		189.1

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	-0.71	21080	21150	20920	20990
29-Nov-13	0.75	19970	20250	19970	20240
31-Dec-13	0.6	19990	20220	19980	20210
31-Jan-14	0.54	20190	20400	20190	20370
27-Feb-14	0.59	20410	20600	20410	20580

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		15-Oct-13	12-Oct-13	
Amravati	Mech-1	No Arrival	No Arrival	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaan	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5250	5750	-500
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	6500	6350	150
Rajkot	B.T. Cotton	5950	5750	200
Fazilika*	B.T. Cotton	3975	3950	25
Fazilika*	B.T. Cotton(Narma)	5200	5300	-100
Bhiwani	B.T. Cotton	4530	4650	-120
Bhiwani*	B.T. Cotton	5350	5450	-100
Sirsa*	B.T. Cotton	4530	4615	-85
Ahmedabad	Shankar-6	5250	5000	250
Gondal*	Shankar-6	6080	5305	775
Sri-Ganganagar	J-34	4525	4610	-85
Abohar*	J-34	4580	4660	-80
Muktsar	J-34	4580	4665	-85
Fazilika*	J-34	4600	4675	-75
Bhatinda	J-34	4570	4670	-100
Mansa	J-34	4570	4660	-90

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		15-Oct-13	12-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	12	12	Unch
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	6080	2262	3818
Rajkot	B.T. Cotton	5000	6000	-1000
Fazilika*		1000	700	300
Bhiwani*	B.T. Cotton	2000	3000	-1000
Sirsa*	B.T. Cotton	1190	850	340
Ahmedabad	Shankar-6	1500	6000	-4500
Gondal*	Shankar-6	430	640	-210
Sri-Ganganagar	J-34	1500	2000	-500
Abohar*	J-34	1530	1020	510
Muktsar	J-34	255	213	42
Bhatinda	J-34	289	187	102
Mansa	J-34	850	680	170

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				14-Oct-13	11-Oct-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36800	37000	-200
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	37800	38000	-200
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	45400	45800	-400
Shankar-6(105)	29mm	3.5 – 4.9	28	45200	45800	-600
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46400	46800	-400



MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NQ	NQ	-
DCH-32(107)	34mm	3.0 - 3.8	33	56500	57000	-500

China Cotton Index: As on 15/10/2013

Cotlook Index: As on 14/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.45	+0.15

Index	RMB/Ton	Change
CCIndex(328)	NQ	-
CCIndex(527)	NQ	-
CCIndex(229)	NQ	-

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

USDA Cotton Spot Rates: As on 15/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	NQ	NQ	-
North Delta	NQ	NQ	-
South Delta	NQ	NQ	-
East TX-OK	NQ	NQ	-
West Texas	NQ	NQ	-
Desert SW	NQ	NQ	-
SJ Valley	NQ	NQ	-

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 14/10/2013

Contract	Open	High	Low	Close	Change
Oct-13	83.51	83.97	83.38	83.61	0.24
Dec-13	84.53	84.85	84.30	84.56	0.34
Mar-14	85.00	85.08	84.65	84.91	0.37
May-14	84.75	84.90	84.50	84.76	0.36
Jul-14	80.76	80.76	80.76	80.76	0.36
Oct-14	80.00	80.00	79.70	79.91	0.37

Pakistan Cotton Spot rates: As on 14/10/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6900	155	7055
Equivalent	40 Kgs	7395	155	7550



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