

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Saturday.
- Cotton ruled higher in Patan, Amrawati and Fazilika whereas it traded lower in Mahesana, Gondal and Bhiwani.
- Cotton yarn prices declined by around 7% due to high inventory and slow demand.
- Cotton output is likely to be lower than the earlier estimates amid rains in Gujarat and Maharashtra.
- 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

- Production of raw cotton in Brazil is likely to increase by 22-28% following high international prices and exchange rates
- 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 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 in near term.

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

Contract	+/-	Open	High	Low	Close
Feb-14	0	0.00	0.00	0.00	0.00
Mar-14	24	984.00	984.00	984.00	984.00
Apr-14	-5	999.00	1000.00	993.00	994.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	15	0
Mar-14	30	30	31	0
Apr-14	3,246	-155	6596	61

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		86	
Apr-14			75.5

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	-6.50	967.70	967.70	957.00	962.10
Apr-14	-5.00	1000.70	1003.00	996.30	997.80

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	7	6	82	0
Apr-14	61	-3	240	-5

Spread

	Apr-14	May-14
Mar-14	107.9	
Apr-14		72.2

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	21210	21310	21140	21190
29-Nov-13	0.2	20300	20380	20230	20330
31-Dec-13	0	20280	20350	20190	20290
31-Jan-14	0.05	20420	20490	20350	20430
27-Feb-14	0.15	20570	20620	20550	20590
31-Mar-14	0.14	20750	20820	20740	20760

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		19-Oct-13	18-Oct-13	
Amravati	Mech-1	3900	3800	100
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5250	5500	-250
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	6500	6260	240
Rajkot	B.T. Cotton	5350	5275	75
Fazilika*	B.T. Cotton(Narma)	5350	5350	Unch
Bhiwani	B.T. Cotton	4650	4700	-50
Bhiwani*	B.T. Cotton	5450	5500	-50
Sirsa*	B.T. Cotton	4605	4610	-5
Ahmedabad	Shankar-6	5250	5250	Unch
Gondal*	Shankar-6	5500	5875	-375
Sri-Ganganagar	J-34	4600	4600	Unch
Abohar*	J-34	4675	4685	-10
Muktsar	J-34	4675	4700	-25
Fazilika*	J-34	4710	4615	95
Bhatinda	J-34	4680	4680	Unch
Mansa	J-34	4700	4680	20

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		19-Oct-13	18-Oct-13	
Amravati	Mech-1	2000	1000	1000
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	70	50	20
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	5500	6475	-975
Rajkot	B.T. Cotton	5000	11000	-6000
Fazilika*	B.T. Cotton	1000	700	300
Bhiwani*	B.T. Cotton	1700	2500	-800
Sirsa*	B.T. Cotton	1360	1360	Unch
Ahmedabad	Shankar-6	2300	1800	500
Gondal*	Shankar-6	6051	5432	619
Sri-Ganganagar	J-34	1200	1500	-300
Abohar*	J-34	1700	1190	510
Muktsar	J-34	4675	255	4420
Bhatinda	J-34	2720	850	1870
Mansa	J-34	1190	850	340

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				18-Oct-13	17-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	37000	37000	Unch
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	38000	38000	Unch
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44400	44600	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	44900	45100	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46000	46000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NQ	NQ	-
DCH-32(107)	34mm	3.0 - 3.8	33	56500	56500	Unch



China Cotton Index: As on 19/10/2013

Cotlook Index: As on 18/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.95	+0.50

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 18/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.11	84.36	Nil
North Delta	80.86	83.36	Nil
South Delta	80.86	83.36	717
East TX-OK	79.75	82.00	960
West Texas	78.75	81.75	1358
Desert SW	77.11	83.61	Nil
SJ Valley	77.61	88.26	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 18/10/2013

Contract	Open	High	Low	Close	Change
Dec-13	83.85	84.40	82.83	83.11	-0.71
Mar-14	84.95	85.47	83.94	84.32	-0.63
May-14	85.54	85.90	84.50	84.91	-0.57
Jul-14	85.45	85.80	84.50	84.99	-0.45
Oct-14	81.04	81.04	81.02	81.04	-0.40
Dec-14	80.41	80.68	79.60	80.07	-0.34

Pakistan Cotton Spot rates: As on 15/10/2013 (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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