

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed weak tone on Monday.
- Cotton prices ruled lower in most of the markets except Amravati, Rajkot and Gondal.
- Prices of cotton are moving steady to weak due to low demand and fresh arrivals of new crop.
- Cotton production this year likely to be around 382 lakh bales, with Gujarat contributing 120 lakh bales.
- 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

- Cotton consumption in Bangladesh will increase significantly in FY 2013-14 due to consistent growth in export of readymade garments and yarn.
- 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.

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

Contract	+/-	Open	High	Low	Close
Feb-14	-0.5	929.50	942.50	925.50	925.50
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	1.5	992.00	997.50	990.00	996.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	5	5	13	-2
Mar-14	0	-30	31	0
Apr-14	4,355	1,109	6586	-10

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	159.5		
Mar-14		--	
Apr-14			89

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	2.80	964.00	967.00	959.20	964.90
Apr-14	0.70	995.00	1000.90	994.50	998.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	18	11	82	0
Apr-14	52	-9	253	13

Spread

	Apr-14	May-14
Mar-14	120.1	
Apr-14		86.5

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

Contract	% Change	Open	High	Low	Close
31-Oct-13	0.67	20970	21230	20930	21150
29-Nov-13	-0.15	20130	20210	20080	20160
31-Dec-13	-0.4	20120	20200	20070	20130
31-Jan-14	-0.49	20300	20370	20240	20290
27-Feb-14	-0.34	20460	20530	20420	20470
31-Mar-14	-0.58	20650	20650	20650	20650

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		21-Oct-13	19-Oct-13	
Amravati	Mech-1	4200	3900	300
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5250	5250	Unch
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	6000	6500	-500
Rajkot	B.T. Cotton	5425	5350	75
Fazilika*	B.T. Cotton(Narma)	5250	5350	-100
Bhiwani	B.T. Cotton	4600	4650	-50
Bhiwani*	B.T. Cotton	5400	5450	-50
Sirsa*	B.T. Cotton	4540	4605	-65
Ahmedabad	Shankar-6	5250	5250	Unch
Gondal*	Shankar-6	5505	5500	5
Sri-Ganganagar	J-34	4560	4600	-40
Abohar*	J-34	4630	4675	-45
Muktsar	J-34	4625	4675	-50
Fazilika*	J-34	4550	4710	-160
Bhatinda	J-34	4630	4680	-50
Mansa	J-34	4615	4700	-85

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		21-Oct-13	19-Oct-13	
Amravati	Mech-1	2500	2000	500
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	15000	7000	8000
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	12500	5500	7000
Rajkot	B.T. Cotton	7000	5000	2000
Fazilika*	B.T. Cotton	1300	1000	300
Bhiwani*	B.T. Cotton	2000	1700	300
Sirsa*	B.T. Cotton	1190	1360	-170
Ahmedabad	Shankar-6	2000	2300	-300
Gondal*	Shankar-6	6999	6051	948
Sri-Ganganagar	J-34	1000	1200	-200
Abohar*	J-34	1190	1700	-510
Muktsar	J-34	3400	4675	-1275
Bhatinda	J-34	3400	2720	680
Mansa	J-34	1020	1190	-170

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				19-Oct-13	18-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	36600	37000	-400
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	37600	38000	-400
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NQ	44400	-
Shankar-6(105)	29mm	3.5 - 4.9	28	44700	44900	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45800	46000	-200
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 21/10/2013
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 19/10/2013 (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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