

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Tuesday.
- Cotton prices ruled higher in most of the markets except Fazilika and Patan.
- Further arrivals of new crops in the market may pull down the prices in near term.
- 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	-6.5	942.00	942.00	925.50	925.50
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	-8.5	996.00	998.50	984.00	987.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	2	-3	13	0
Mar-14	0	0	31	0
Apr-14	6,862	2,507	6554	-32

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	164.5		
Mar-14		--	
Apr-14			102.5

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	-4.10	965.00	965.00	953.20	957.90
Apr-14	-8.10	1000.80	1001.90	987.60	990.90

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	23	5	82	0
Apr-14	190	138	276	23

Spread

	Apr-14	May-14
Mar-14	132.1	
Apr-14		99.1

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	0.61	21220	21370	21140	21280
29-Nov-13	-0.3	20170	20190	20000	20090
31-Dec-13	-0.2	20150	20190	20020	20090
31-Jan-14	-0.1	20300	20360	20190	20270
27-Feb-14	-0.15	20480	20520	20360	20450
31-Mar-14	0.24	20700	20700	20700	20700

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		22/10/2013	21/10/2013	
Amravati	Mech-1	No Arrival	4200	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5250	No Arrival	-
Muktsar	B.T. Cotton	5300	No Arrival	-
Patan	B.T. Cotton	5760	6000	-240
Rajkot	B.T. Cotton	5450	5425	25
Fazilika	B.T. Cotton	-	-	-
Fazilika*	B.T. Cotton	5250	5250	Unch
Bhiwani	B.T. Cotton	4680	4600	80
Bhiwani*	B.T. Cotton	5500	5400	100
Sirsa	B.T. Cotton	4560	4540	20
Ahmedabad	Shankar-6	5250	5250	Unch
Gondal	Shankar-6	5780	5505	275
Sri-Ganganagar	J-34	4560	4560	Unch
Abohar	J-34	4660	4630	30
Muktsar	J-34	4660	4625	35
Fazilika*	J-34	4550	4710	-160
Bhatinda	J-34	4660	4630	30
Mansa	J-34	4650	4615	35

*New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals		Change
		22/10/2013	21/10/2013	
Amravati	Mech-1	-	2500	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	20000	15000	5000
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	14000	12500	1500
Rajkot	B.T. Cotton	6500	7000	-500
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	1300	1300	Unch
Bhiwani*	B.T. Cotton	1500	2000	-500
Sirsa	B.T. Cotton	2040	1190	850
Ahmedabad	Shankar-6	25000	2000	23000
Gondal	Shankar-6	5094	6999	-1905
Sri-Ganganagar	J-34	2000	1000	1000
Abohar	J-34	1700	1190	510
Muktsar	J-34	425	340	85
Fazilika*	J-34	-	-	-
Bhatinda	J-34	3230	3400	-170
Mansa	J-34	1020	1020	Unch

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				21-Oct-13	19-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	36100	36600	-500
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	37100	37600	-500
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	43500	44000	-
Shankar-6(105)	29mm	3.5 – 4.9	28	44000	44700	-300

Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45300	45800	-500
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 22/10/2013

Cotlook Index: As on 21/10/2013

Cotlook Indices	Cents/Pound	Change	Index	RMB/Ton	Change
A-Index	89.40	-0.55	CCIndex(328)	NQ	-
			CCIndex(527)	NQ	-
			CCIndex(229)	NQ	-

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

USDA Cotton Spot Rates: As on 21/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.06	84.31	288
North Delta	80.81	83.31	Nil
South Delta	80.81	83.31	677
East TX-OK	80.25	82.50	823
West Texas	80.25	83.25	1085
Desert SW	77.06	83.56	Nil
SJ Valley	77.56	88.21	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 21/10/2013

Contract	Open	High	Low	Close	Change
Dec-13	83.11	83.40	82.80	83.06	-0.05
Mar-14	84.36	84.56	83.98	84.25	-0.07
May-14	84.93	85.09	84.57	84.86	-0.05
Jul-14	85.09	85.13	84.89	85.02	+0.03
Oct-14	81.02	81.02	81.02	81.02	-0.02
Dec-14	80.22	80.22	79.90	80.12	+0.05

Pakistan Cotton Spot rates: As on 21/10/2013 (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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