

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Wednesday.
- Markets are noticing remarkable arrivals of new crops, leading to actual buying.
- 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	-4	930.00	930.00	930.00	930.00
Mar-14	1.5	956.00	956.00	956.00	956.00
Apr-14	0	984.00	992.00	982.00	987.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	-1	13	0
Mar-14	1	1	31	0
Apr-14	5,572	-1,290	6503	-51

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	150		
Mar-14		124	
Apr-14			93

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	-6.20	955.30	961.00	950.50	951.10
Apr-14	-0.80	994.00	994.00	987.00	988.60

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	44	21	89	7
Apr-14	56	-134	276	0

Spread

	Apr-14	May-14
Mar-14	128.9	
Apr-14		91.4

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	-0.33	21330	21340	21200	21210
29-Nov-13	-0.25	20050	20090	19980	20000
31-Dec-13	-0.2	20020	20090	19980	20020
31-Jan-14	-0.15	20180	20260	20140	20190
27-Feb-14	-0.1	20350	20410	20330	20390
31-Mar-14	-0.39	20590	20620	20540	20620

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		23-Oct-13	21-Oct-13	
Amravati	Mech-1	4300	4300	Unch
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	5300	5300	Unch
Patan	B.T. Cotton	5260	5760	-500
Rajkot	B.T. Cotton	5400	5450	-50
Fazilika*	B.T. Cotton(Narma)	5295	5250	45
Bhiwani	B.T. Cotton	4675	4680	-5
Bhiwani*	B.T. Cotton	5500	5500	Unch
Sirsa*	B.T. Cotton	4560	4560	Unch
Ahmedabad	Shankar-6	5125	5250	-125
Gondal*	Shankar-6	5630	5780	-150
Sri-Ganganagar	J-34	4570	4560	10
Abohar*	J-34	4670	4660	10
Muktsar	J-34	4670	4660	10
Fazilika*	J-34	4675	4550	125
Bhatinda	J-34	4670	4660	10
Mansa	J-34	4665	4650	15

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		23-Oct-13	21-Oct-13	
Amravati	Mech-1	4000	2000	2000
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	25000	20000	5000
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	15000	14000	1000
Rajkot	B.T. Cotton	6000	6500	-500
Fazilika*	B.T. Cotton	1500	1300	200
Bhiwani*	B.T. Cotton	2000	1500	500
Sirsa*	B.T. Cotton	1700	2040	-340
Ahmedabad	Shankar-6	25000	25000	Unch
Gondal*	Shankar-6	5064	5094	-30
Sri-Ganganagar	J-34	2000	2000	Unch
Abohar*	J-34	1700	1700	Unch
Muktsar	J-34	510	425	85
Bhatinda	J-34	3400	3230	170
Mansa	J-34	1190	1020	170

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				22-Oct-13	21-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	36600	36100	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37500	37100	400
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	43500	43500	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	43700	44000	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44500	45300	-800
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NQ	NQ	-
DCH-32(107)	34mm	3.0 - 3.8	33	56000	56500	-500



China Cotton Index: As on 23/10/2013

Cotlook Index: As on 22/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.40	Unch

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 22/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	80.45	83.70	Nil
North Delta	80.20	82.70	624
South Delta	80.20	82.70	Nil
East TX-OK	80.75	83.00	2093
West Texas	80.75	83.75	759
Desert SW	76.95	83.7	218
SJ Valley	77.45	88.1	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 22/10/2013

Contract	Open	High	Low	Close	Change
Dec-13	83.06	83.11	82.44	82.45	-0.61
Mar-14	84.27	84.27	83.69	83.72	-0.53
May-14	84.7	84.70	84.31	84.35	-0.51
Jul-14	84.9	84.90	84.54	84.57	-0.45
Oct-14	80.57	80.57	80.57	80.57	-0.45
Dec-14	79.74	79.74	79.68	79.68	-0.44

Pakistan Cotton Spot rates: As on 22/10/2013 (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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