

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed weak tone on Thursday.
- Market noticed sluggish buying amid low demand due to high inventory and good production prospects.
- 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	-10	920.50	920.50	920.00	920.00
Mar-14	-16	949.50	949.50	940.00	940.00
Apr-14	-14	982.00	984.00	972.00	973.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	3	2	12	-1
Mar-14	3	2	30	-1
Apr-14	7,164	1,592	6856	353

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	145		
Mar-14		125	
Apr-14			92

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	-13.50	950.30	951.20	941.20	942.10
Apr-14	-14.30	984.70	989.00	976.00	976.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	10	-34	90	1
Apr-14	113	57	277	1

Spread

	Apr-14	May-14
Mar-14	122.9	
Apr-14		89

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	-3.53	21280	21280	20500	20500
29-Nov-13	-2	20000	20000	19580	19620
31-Dec-13	-1.8	20020	20020	19630	19670
31-Jan-14	-1.78	20050	20050	19800	19820
27-Feb-14	-1.57	20220	20220	20010	20050
31-Mar-14	-1.7	20270	20280	20150	20250

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		24-Oct-13	23-Oct-13	
Amravati	Mech-1	4600	4300	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	5250	5300	-50
Patan	B.T. Cotton	5500	5260	240
Rajkot	B.T. Cotton	5325	5400	-75
Fazilika*	B.T. Cotton(Narma)	5300	5295	5
Bhiwani	B.T. Cotton	4575	4675	-100
Bhiwani*	B.T. Cotton	5450	5500	-50
Sirsa*	B.T. Cotton	4530	4560	-30
Ahmedabad	Shankar-6	5000	5125	-125
Gondal*	Shankar-6	5135	5630	-495
Sri-Ganganagar	J-34	4515	4570	-55
Abohar*	J-34	4625	4670	-45
Muktsar	J-34	4620	4670	-50
Fazilika*	J-34	4710	4675	35
Bhatinda	J-34	4630	4670	-40
Mansa	J-34	4620	4665	-45

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		24-Oct-13	23-Oct-13	
Amravati	Mech-1	500	4000	-3500
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	25000	25000	Unch
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	15078	15000	78
Rajkot	B.T. Cotton	8000	6000	2000
Fazilika*	B.T. Cotton	1500	1500	Unch
Bhiwani*	B.T. Cotton	3000	2000	1000
Sirsa*	B.T. Cotton	1700	1700	Unch
Ahmedabad	Shankar-6	30000	25000	5000
Gondal*	Shankar-6	981	5064	-4083
Sri-Ganganagar	J-34	2000	2000	Unch
Abohar*	J-34	850	1700	-850
Muktsar	J-34	340	510	-170
Bhatinda	J-34	3400	3400	Unch
Mansa	J-34	850	1190	-340

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				23-Oct-13	22-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	36600	36600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37500	37500	Unch
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43100	43500	-400
Shankar-6(105)	29mm	3.5 - 4.9	28	43300	43700	-400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44300	44500	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NQ	NQ	-
DCH-32(107)	34mm	3.0 - 3.8	33	56000	56000	Unch



China Cotton Index: As on 24/10/2013

Cotlook Index: As on 23/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	88.90	-0.5

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 23/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	78.69	82.19	874
North Delta	78.44	80.94	Nil
South Delta	78.44	80.94	293
East TX-OK	79.00	81.25	193
West Texas	79.00	82.00	924
Desert SW	75.19	81.94	Nil
SJ Valley	75.69	86.34	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 23/10/2013

Contract	Open	High	Low	Close	Change
Dec-13	82.50	82.84	80.52	80.69	-1.76
Mar-14	83.65	84.05	82.19	82.27	-1.45
May-14	84.39	84.65	82.96	83.01	-1.34
Jul-14	84.63	84.84	83.2	83.35	-1.22
Oct-14	79.59	79.59	79.59	79.59	-0.98
Dec-14	79.94	79.94	78.7	78.84	-0.84

Pakistan Cotton Spot rates: As on 23/10/2013 (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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