

**Cotton Domestic Fundamentals:**

- Cotton prices in domestic markets noticed weak tone on Friday.
- Arrivals of new crop have sharply dragged the prices down.
- According to market participants, Cotton prices would be under pressure in coming three months.
- 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 bearish trends amid fresh arrivals of new crop.

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

Contract	+/-	Open	High	Low	Close
Feb-14	-5.5	920.50	920.50	893.50	914.50
Mar-14	-4	940.00	940.00	940.00	940.00
Apr-14	-2.5	973.00	977.00	970.50	971.00

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-14	3	0	11	-1
Mar-14	9	6	27	-3
Apr-14	5,941	-1,223	6928	72

**Spread**

	Feb-14	Mar-14	Apr-14
Feb-14	115.5		
Mar-14		90	
Apr-14			59

**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	-4.70	941.60	948.00	938.30	942.10
Apr-14	-2.30	975.00	979.60	974.50	974.50

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-14	14	4	93	3
Apr-14	73	-40	283	6

**Spread**

	Apr-14	May-14
Mar-14	87.9	
Apr-14		55.5

**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	0.97	20660	20880	20250	20750
29-Nov-13	0	19750	19750	19460	19630
31-Dec-13	-0.2	19710	19720	19510	19640
31-Jan-14	-0.15	19760	19850	19730	19800
27-Feb-14	-0.35	19930	20020	19900	19970

**Cotton Prices at Key Spot Market:**

Centre	Variety	Prices (Rs/Qtl)		Change
		25-Oct-13	24-Oct-13	
Amravati	Mech-1	4200	4600	<b>-400</b>
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaan	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5000	5250	<b>-250</b>
Muktsar	B.T. Cotton	5250	5250	<b>Unch</b>
Patan	B.T. Cotton	5255	5500	<b>-245</b>
Rajkot	B.T. Cotton	5150	5325	<b>-175</b>
Fazilika*	B.T. Cotton(Narma)	5200	5300	<b>-100</b>
Bhiwani	B.T. Cotton	4470	4575	<b>-105</b>
Bhiwani*	B.T. Cotton	5400	5450	<b>-50</b>
Sirsa*	B.T. Cotton	4450	4530	<b>-80</b>
Ahmedabad	Shankar-6	5000	5000	<b>Unch</b>
Gondal*	Shankar-6	5250	5135	<b>+115</b>
Sri-Ganganagar	J-34	4430	4515	<b>-85</b>
Abohar*	J-34	4560	4625	<b>-65</b>
Muktsar	J-34	4550	4620	<b>-70</b>
Fazilika*	J-34	4650	4710	<b>-60</b>
Bhatinda	J-34	4560	4630	<b>-70</b>
Mansa	J-34	4550	4620	<b>-70</b>

\* New Crop



### Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		25-Oct-13	24-Oct-13	
Amravati	Mech-1	3500	500	<b>+3000</b>
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
<b>Mahesana(Kadi)</b>				
Mahesana(Kadi)	B.T. Cotton	20000	25000	<b>-5000</b>
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	14000	15078	<b>-1078</b>
Rajkot	B.T. Cotton	8200	8000	<b>+200</b>
Fazilika*	B.T. Cotton	1500	1500	<b>Unch</b>
Bhiwani*	B.T. Cotton	2000	3000	<b>-1000</b>
Sirsa*	B.T. Cotton	1700	1700	<b>Unch</b>
<b>Ahmedabad</b>				
Ahmedabad	Shankar-6	40000	30000	<b>+10000</b>
Gondal*	Shankar-6	1190	981	<b>+209</b>
<b>Sri-Ganganagar</b>				
Sri-Ganganagar	J-34	2000	2000	<b>Unch</b>
Abohar*	J-34	2040	850	<b>+1190</b>
Muktsar	J-34	425	340	<b>+85</b>
Bhatinda	J-34	5100	3400	<b>+1700</b>
Mansa	J-34	850	850	<b>Unch</b>

\* New Crop

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				24-Oct-13	23-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	37100	36600	<b>+500</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38000	37500	<b>+500</b>
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42300	43100	<b>-800</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	42500	43300	<b>-800</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43800	44300	<b>-500</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NQ	NQ	-
DCH-32(107)	34mm	3.0 - 3.8	33	56000	56000	<b>Unch</b>

China Cotton Index: As on 25/10/2013
Cotlook Index: As on 24/10/2013

<u>Cotlook Index: As on 24/10/2013</u>			Index	RMB/Ton	Change
Cotlook Indices	Cents/Pound	Change	CCIndex(328)	NQ	-
A-Index	87.45	<b>-1.45</b>	CCIndex(527)	NQ	-
			CCIndex(229)	NQ	-

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

USDA Cotton Spot Rates: As on 24/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	77.21	80.71	NIL
North Delta	76.96	79.46	NIL
South Delta	76.96	79.46	NIL
East TX-OK	78.25	80.50	<b>1467</b>
West Texas	78.25	81.25	<b>730</b>
Desert SW	73.71	80.46	NIL
SJ Valley	74.21	84.86	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 24/10/2013

Contract	Open	High	Low	Close	Change
<b>Dec-13</b>	80.81	80.85	78.76	79.21	<b>-1.48</b>
<b>Mar-14</b>	82.32	82.32	80.55	80.80	<b>-1.47</b>
<b>May-14</b>	82.85	82.85	81.41	81.59	<b>-1.42</b>
<b>Jul-14</b>	83.22	83.22	82.00	82.23	<b>-1.12</b>
<b>Oct-14</b>	78.47	78.47	78.47	78.47	<b>-1.12</b>
<b>Dec-14</b>	78.82	78.82	77.73	77.78	<b>-1.06</b>

Pakistan Cotton Spot rates: As on 24/10/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	6850	155	7005
<b>Equivalent</b>	40 Kgs	7341	155	7496

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