

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Saturday.
- Actual buying made cotton prices to rule higher.
- According to market participants, Cotton prices would be under pressure in coming three months.
- Cotton production would be around 353 lakh bales in this season, according to DAC 1st estimates.
- 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	10.5	920.00	920.00	920.00	920.00
Mar-14	0	947.00	947.00	940.00	940.00
Apr-14	4.5	972.00	977.50	971.00	977.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	-2	11	0
Mar-14	1	-8	21	-6
Apr-14	1,976	-3,965	6693	-235

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	107		
Mar-14		87	
Apr-14			50

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	2.20	918.00	949.00	918.00	944.30
Apr-14	2.70	976.00	980.00	975.80	978.70

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	12	-2	95	2
Apr-14	36	-37	282	-1

Spread

	Apr-14	May-14	
Mar-14	82.7		
Apr-14		48.3	

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	1.59	20970	21080	20700	21050
29-Nov-13	0.56	19840	19840	19610	19770
31-Dec-13	0.51	19690	19800	19680	19760
31-Jan-14	0.55	19830	19930	19830	19930
27-Feb-14	0.4	19980	20090	19980	20070

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		26-Oct-13	25-Oct-13	
Amravati	Mech-1	4300	4200	+100
Khandwa	Mech-1	No Arrival	No Arrival	
Khargaon	Mech-1	No Arrival	No Arrival	
Mahesana(Kadi)	B.T. Cotton	5000	5000	Unch
Muktsar	B.T. Cotton	5300	5250	+50
Patan	B.T. Cotton	5215	5255	-40
Rajkot	B.T. Cotton	5150	5150	Unch
Fazilika*	B.T. Cotton(Narma)	5260	5200	+60
Bhiwani	B.T. Cotton	4470	4470	Unch
Bhiwani*	B.T. Cotton	5400	5400	Unch
Sirsa*	B.T. Cotton	4490	4450	+40
Ahmedabad	Shankar-6	5125	5000	+125
Gondal*	Shankar-6	5250	5250	Unch
Sri-Ganganagar	J-34	4480	4430	+50
Abohar*	J-34	4580	4560	+20
Muktsar	J-34	4580	4550	+30
Fazilika*	J-34	4651	4650	+1
Bhatinda	J-34	4575	4560	+15
Mansa	J-34	4570	4550	+20

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		26-Oct-13	25-Oct-13	
Amravati	Mech-1	4000	3500	500
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	Unch
Patan	B.T. Cotton	15400	14000	1400
Rajkot	B.T. Cotton	8200	8200	Unch
Fazilika*	B.T. Cotton	150	1500	-1350
Bhiwani*	B.T. Cotton	2000	2000	Unch
Sirsa*	B.T. Cotton	1700	1700	Unch
Ahmedabad	Shankar-6	25000	40000	-15000
Gondal*	Shankar-6	2200	1190	1010
Sri-Ganganagar	J-34	1500	2000	-500
Abohar*	J-34	1360	2040	-680
Muktsar	J-34	340	425	-85
Bhatinda	J-34	11900	5100	6800
Mansa	J-34	1020	850	170

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				25-Oct-13	24-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	37500	37100	+400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38500	38000	+500
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42600	42300	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	42000	42500	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43300	43800	-500
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 25/10/2013

Cotlook Index: As on 25/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.95	-1.5

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 25/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	77.33	80.83	NIL
North Delta	77.08	79.58	NIL
South Delta	77.08	79.58	424
East TX-OK	78	80.25	2185
West Texas	78	81	715
Desert SW	73.58	80.33	NIL
SJ Valley	74.08	84.73	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 25/10/2013

Contract	Open	High	Low	Close	Change
Dec-13	79.21	80.14	78.81	79.08	-0.13
Mar-14	80.76	81.75	80.45	80.59	-0.21
May-14	81.54	82.45	81.18	81.32	-0.27
Jul-14	82.21	83.01	81.7	81.93	-0.3
Oct-14	78.17	78.17	78.17	78.17	-0.3
Dec-14	77.74	78.5	77.45	77.52	-0.26

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

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

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