

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Monday.
- 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.
- Agriculture minister, Sharad Pawar along with a group of minister (GoM) has rejected the textile ministry proposal of imposing duty of 10% on export of cotton beyond a declared exportable surplus.
- 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	925.00	925.00	925.00	925.00
Mar-14	0.00	0.00		0.00	0.00
Apr-14	5	979.50	987.50	978.00	982.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	0	11	0
Mar-14	0	-1	21	0
Apr-14	5,413	3,437	7029	336

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	165		
Mar-14		--	
Apr-14			108

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	7.40	951.00	959.50	950.00	951.70
Apr-14	6.30	982.40	990.50	982.40	985.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	11	-1	95	0
Apr-14	124	88	291	9

Spread

	Apr-14	May-14	
Mar-14	138.3		
Apr-14		105	

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	-0.19	21130	21340	20810	20990
29-Nov-13	0.2	19880	19950	19710	19830
31-Dec-13	0.1	19730	19900	19690	19790
31-Jan-14	0.1	19850	20020	19850	19920
27-Feb-14	0.05	20070	20180	20070	20080
31-Mar-14	0.3	20250	20300	20250	20300

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		28-Oct-13	26-Oct-13	
Amravati	Mech-1	4200	4300	-100
Khandwa	Mech-1	No Arrival	No Arrival	
Khargaon	Mech-1	No Arrival	No Arrival	
Mahesana(Kadi)	B.T. Cotton	5500	5000	+500
Muktsar	B.T. Cotton	5300	5300	Unch
Patan	B.T. Cotton	5255	5215	+40
Rajkot	B.T. Cotton	5450	5150	+300
Fazilika*	B.T. Cotton(Narma)	5325	5260	+65
Bhiwani	B.T. Cotton	4650	4470	+180
Bhiwani*	B.T. Cotton	5300	5400	-100
Sirsa*	B.T. Cotton	4490	4490	Unch
Ahmedabad	Shankar-6	5175	5125	+50
Gondal*	Shankar-6	5325	5250	+75
Sri-Ganganagar	J-34	4500	4480	+20
Abohar*	J-34	4600	4580	+20
Muktsar	J-34	4600	4580	+20
Fazilika*	J-34	4615	4620	-5
Bhatinda	J-34	4590	4575	+15
Mansa	J-34	4600	4570	+30

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		28-Oct-13	26-Oct-13	
Amravati	Mech-1	4000	4000	Unch
Khandwa	Mech-1	No Arrival	No Arrival	
Khargaon	Mech-1	No Arrival	No Arrival	
Mahesana(Kadi)	B.T. Cotton	250	250	Unch
Muktsar	B.T. Cotton	No Arrival	No Arrival	
Patan	B.T. Cotton	18500	15400	+3100
Rajkot	B.T. Cotton	8500	8200	+300
Fazilika*	B.T. Cotton	1500	1500	Unch
Bhiwani*	B.T. Cotton	2500	2000	+500
Sirsa*	B.T. Cotton	1360	1700	-340
Ahmedabad	Shankar-6	36000	25000	+11000
Gondal*	Shankar-6	1674	2200	-526
Sri-Ganganagar	J-34	2000	1500	+500
Abohar*	J-34	1700	1360	+340
Muktsar	J-34	340	340	Unch
Bhatinda	J-34	28900	11900	+17000
Mansa	J-34	850	1020	-170

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				26-Oct-13	25-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38000	37500	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39000	38500	+500
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43300	42600	+700
Shankar-6(105)	29mm	3.5 - 4.9	28	42000	42000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43600	43300	+300
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 25/10/2013 (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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