

### Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Tuesday.
- Market noticed uptrend amid sentiments of crop loss due to heavy rains in Andhra Pradesh.
- 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	0.00	0.00	0.00	0.00	0.00
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	-4	982.00	984.50	977.50	978.50

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-1	10	-1
Mar-14	0	0	21	0
Apr-14	3,073	-2,340	6998	-31

### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			71.5

**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	-0.30	945.20	955.80	945.00	953.00
Apr-14	-3.20	986.70	987.40	980.00	982.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	31	20	95	0
Apr-14	61	-63	288	-3

### Spread

	Apr-14	May-14
Mar-14	97	
Apr-14		68

**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	21440	21440	20660	20900
29-Nov-13	-1.01	19930	19940	19590	19610
31-Dec-13	-1.16	19890	19890	19550	19560
31-Jan-14	-1.2	19880	19960	19660	19680
27-Feb-14	-1.2	20030	20120	19840	19840
31-Mar-14	-1.13	20230	20230	20040	20040

**Cotton Prices at Key Spot Market:**

Centre	Variety	Prices (Rs/Qtl)		Change
		29-Oct-13	28-Oct-13	
Amravati	Mech-1	4500	4200	+300
Khandwa	Mech-1	No Arrival	No Arrival	--
Khargaon	Mech-1	No Arrival	No Arrival	--
Mahesana(Kadi)	B.T. Cotton	5250	5500	-250
Muktsar	B.T. Cotton	5350	5300	+50
Patan	B.T. Cotton	5250	5255	-5
Rajkot	B.T. Cotton	5250	5450	-200
Fazilika*	B.T. Cotton(Narma)	5350	5325	Unch
Bhiwani	B.T. Cotton	4670	4650	+20
Bhiwani*	B.T. Cotton	5300	5300	Unch
Sirsa*	B.T. Cotton	4500	4490	+10
Ahmedabad	Shankar-6	--	5175	--
Gondal*	Shankar-6	5280	5325	-45
Sri-Ganganagar	J-34	4500	4500	Unch
Abohar*	J-34	4630	4600	+300
Muktsar	J-34	4620	4600	+20
Fazilika*	J-34	4620	4615	+5
Bhatinda	J-34	4620	4590	+30
Mansa	J-34	4610	4600	+10

\* New Crop

### Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		29-Oct-13	28-Oct-13	
Amravati	Mech-1	4500	4000	+500
Khandwa	Mech-1	No Arrival	No Arrival	--
Khargaan	Mech-1	No Arrival	No Arrival	--
Mahesana(Kadi)	B.T. Cotton	200	250	-50
Muktsar	B.T. Cotton	No Arrival	No Arrival	--
Patan	B.T. Cotton	21450	18500	+2950
Rajkot	B.T. Cotton	8400	8500	-100
Fazilika*	B.T. Cotton	2000	1500	+500
Bhiwani*	B.T. Cotton	1500	2500	-1000
Sirsa*	B.T. Cotton	1530	1360	+170
Ahmedabad	Shankar-6	--	36000	--
Gondal*	Shankar-6	3924	1674	+2250
Sri-Ganganagar	J-34	1000	2000	-1000
Abohar*	J-34	1972	1700	+272
Muktsar	J-34	425	340	+85
Bhatinda	J-34	30600	28900	+1700
Mansa	J-34	680	850	-170

\* New Crop

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength / GPT	Rs. Per Candy	Rs. Per Candy	Change
				28-Oct-13	26-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39000	38000	+1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40000	39000	+1000
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	--
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43400	43300	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	42300	42000	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43100	43600	-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 28/10/2013

#### Cotlook Index: As on 28/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.95	0

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 28/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	76.9	80.4	NIL
North Delta	76.65	79.15	NIL
South Delta	76.65	79.15	NIL
East TX-OK	77.5	79.75	1819
West Texas	77.5	80.5	1563
Desert SW	73.15	79.9	NIL
SJ Valley	73.65	84.3	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 28/10/2013

Contract	Open	High	Low	Close	Change
Dec-13	79.08	79.49	78.52	78.65	-0.43
Mar-14	80.69	81.19	80.26	80.45	-0.14
May-14	81.21	81.56	81	81.16	-0.16
Jul-14	81.95	82.37	81.6	81.74	-0.19
Oct-14	78.02	78.02	78.02	78.02	-0.15
Dec-14	78.11	78.12	77.32	77.35	-0.17

#### Pakistan Cotton Spot rates: As on 28/10/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6750	155	6905
Equivalent	40 Kgs	7234	155	7389

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