

### Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed mixed tone on Wednesday.
- Prices ruled higher in Gujarat amid selling pressure, remained steady elsewhere.
- 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	-11	914.00	914.00	914.00	914.00
Mar-14	-5	937.00	937.00	935.00	935.00
Apr-14	-12	979.00	981.50	964.00	966.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	1	10	0
Mar-14	5	5	20	-1
Apr-14	6,205	3,132	7548	550

#### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	121		
Mar-14		100	
Apr-14			68.5

**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	-12.70	948.00	948.00	937.10	937.10
Apr-14	-11.40	984.00	984.00	968.50	970.00

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	33	2	97	2
Apr-14	128	67	320	32

#### Spread

	Apr-14	May-14
Mar-14	97.9	
Apr-14		65

**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	0.14	20980	21070	20840	20950
29-Nov-13	-1.27	19800	19800	19370	19380
31-Dec-13	-1.33	19560	19590	19330	19340
31-Jan-14	-1.22	19630	19700	19470	19480
27-Feb-14	-1.26	19800	19850	19630	19630
31-Mar-14	-1.24	20040	20060	19900	19930

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		30-Oct-13	29-Oct-13	
Amravati	Mech-1	4300	4500	-200
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5000	5250	-250
Muktsar	B.T. Cotton	5425	5350	75
Patan	B.T. Cotton	5300	5250	50
Rajkot	B.T. Cotton	5175	5250	-75
Fazilika*	B.T. Cotton(Narma)	5450	5350	100
Bhiwani	B.T. Cotton	4625	4670	-45
Bhiwani*	B.T. Cotton	5350	5300	50
Sirsa*	B.T. Cotton	4510	4500	10
Ahmedabad	Shankar-6	5125	NR	-
Gondal*	Shankar-6	5155	NR	-
Sri-Ganganagar	J-34	4500	4500	Unch
Abohar*	J-34	4630	4630	Unch
Muktsar	J-34	4635	4620	15
Fazilika*	J-34	4655	4620	35
Bhatinda	J-34	4630	4620	10
Mansa	J-34	4620	4610	10

\* New Crop

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		30-Oct-13	29-Oct-13	
Amravati	Mech-1	4000	4500	-500
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	300	200	100
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	19210	21450	-2240
Rajkot	B.T. Cotton	8500	8400	100
Fazilika*	B.T. Cotton	15000	2000	13000
Bhiwani*	B.T. Cotton	3500	1500	2000
Sirsa*	B.T. Cotton	1700	1530	170
Ahmedabad	Shankar-6	25000	NR	-
Gondal*	Shankar-6	5095	NR	-
Sri-Ganganagar	J-34	1500	1000	500
Abohar*	J-34	1700	1972	-272
Muktsar	J-34	510	425	85
Bhatinda	J-34	25500	30600	-5100
Mansa	J-34	425	680	-255

\* New Crop

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				29-Oct-13	28-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40000	39000	+1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41000	40000	+1000
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42200	43400	-1200
Shankar-6(105)	29mm	3.5 - 4.9	28	42500	42300	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43600	43100	+500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NQ	NQ	-
DCH-32(107)	34mm	3.0 - 3.8	33	55000	56000	-1000



### China Cotton Index: As on 30/10/2013

#### Cotlook Index: As on 29/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.90	<b>-0.05</b>

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 29/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	76.59	80.09	Nil
North Delta	76.34	78.84	Nil
South Delta	76.34	78.84	Nil
East TX-OK	77.25	79.50	2294
West Texas	77.25	80.25	2029
Desert SW	72.84	79.59	Nil
SJ Valley	73.34	83.99	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 29/10/2013

Contract	Open	High	Low	Close	Change
<b>Dec-13</b>	78.80	78.98	78.29	78.34	<b>-0.31</b>
<b>Mar-14</b>	80.48	80.74	80.09	80.15	<b>-0.30</b>
<b>May-14</b>	81.20	81.39	80.84	80.87	<b>-0.29</b>
<b>Jul-14</b>	81.76	81.91	81.41	81.46	<b>-0.28</b>
<b>Oct-14</b>	77.87	77.87	77.87	77.87	<b>-0.15</b>
<b>Dec-14</b>	77.40	77.40	77.17	77.34	<b>-0.01</b>

#### Pakistan Cotton Spot rates: As on 29/10/2013 (in Pakistan Rupees)

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

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