

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed weak tone on Thursday.
- Prices ruled lower amid sluggish trading activity due to Diwali holidays ahead.
- 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:

- Production in China would be around 6.93 Million Tons, as per the China cotton association estimates.
- 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	-3	911.00	911.00	911.00	911.00
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	-1	966.50	969.50	961.00	965.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	5	4	10	0
Mar-14	0	-5	17	-3
Apr-14	5,107	-1,098	7415	-133

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	124		
Mar-14		--	
Apr-14			70

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	-6.80	940.00	940.00	932.00	934.00
Apr-14	-1.00	971.00	973.50	965.00	969.10

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	27	-6	93	-4
Apr-14	89	-39	319	-1

Spread

	Apr-14	May-14
Mar-14	101	
Apr-14		65.9

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	1.1	21280	21340	20850	21200
29-Nov-13	-1.13	19440	19500	19170	19200
31-Dec-13	-0.98	19390	19460	19150	19200
31-Jan-14	-1.08	19540	19590	19280	19320
27-Feb-14	-1.22	19720	19720	19450	19450
31-Mar-14	-0.85	19830	19900	19740	19750

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		31-Oct-13	30-Oct-13	
Amravati	Mech-1	4250	4300	-50
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5100	5000	100
Muktsar	B.T. Cotton	5400	5425	-25
Patan	B.T. Cotton	Closed	5300	-
Rajkot	B.T. Cotton	Closed	5175	-
Fazilika*	B.T. Cotton(Narma)	5450	5450	Unch
Bhiwani	B.T. Cotton	4510	4625	-115
Bhiwani*	B.T. Cotton	5500	5350	150
Sirsa*	B.T. Cotton	4490	4510	-20
Ahmedabad	Shankar-6	5000	5125	-125
Gondal*	Shankar-6	5060	5155	-95
Sri-Ganganagar	J-34	4460	4500	-40
Abohar*	J-34	4610	4630	-20
Muktsar	J-34	4625	4635	-10
Fazilika*	J-34	4680	4655	25
Bhatinda	J-34	4620	4630	-10
Mansa	J-34	4610	4620	-10

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		31-Oct-13	30-Oct-13	
Amravati	Mech-1	5000	4000	1000
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	40000	30000	10000
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	Closed	19210	-
Rajkot	B.T. Cotton	Closed	8500	-
Fazilika*	B.T. Cotton	2000	15000	-13000
Bhiwani*	B.T. Cotton	2500	3500	-1000
Sirsa*	B.T. Cotton	1190	1700	-510
Ahmedabad	Shankar-6	23000	25000	-2000
Gondal*	Shankar-6	3416	5095	-1679
Sri-Ganganagar	J-34	1500	1500	Unch
Abohar*	J-34	1700	1700	Unch
Muktsar	J-34	510	510	Unch
Bhatinda	J-34	25500	25500	Unch
Mansa	J-34	510	425	85

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				30-Oct-13	29-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42000	40000	2000
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	43000	41000	2000
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41700	42200	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	42000	42500	-500
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	54000	55000	-1000

Cotlook Index: As on 30/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.70	-0.20

China Cotton Index: As on 31/10/2013

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 30/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	76.09	79.59	270
North Delta	75.84	78.34	Nil
South Delta	75.84	78.34	461
East TX-OK	77.00	79.25	3397
West Texas	77.00	80.00	1521
Desert SW	72.34	79.09	Nil
SJ Valley	72.84	83.49	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 30/10/2013

Contract	Open	High	Low	Close	Change
Dec-13	78.38	78.73	77.68	77.84	-0.50
Mar-14	80.11	80.63	79.52	79.83	-0.32
May-14	80.91	81.20	80.28	80.53	-0.34
Jul-14	81.45	81.78	80.86	81.14	-0.32
Oct-14	77.48	77.48	77.48	77.48	-0.39
Dec-14	77.08	77.56	76.68	76.90	-0.44

Pakistan Cotton Spot rates: As on 30/10/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6650	155	6805
Equivalent	40 Kgs	7127	155	7282

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