

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed steady to weak tone on Friday.
- 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	0.00	0.00	0.00	0.00	0.00
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	-5.5	966.50	967.50	958.50	961

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-0	0	0
Mar-14	0	-0	0	0
Apr-14	3,940	-1,167	7692	277

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			49

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	-4.80	932.60	938.80	930.40	930.40
Apr-14	-5.70	970.00	970.00	963.00	965.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	23	-4	94	1
Apr-14	60	-29	324	5

Spread

	Apr-14	May-14
Mar-14	79.6	
Apr-14		45

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
29-Nov-13	-0.83	19190	19270	19040	19060
31-Dec-13	-0.78	19180	19220	19050	19060
31-Jan-14	-0.62	19310	19340	19150	19200
27-Feb-14	-0.72	19450	19490	19340	19340
31-Mar-14	-0.76	19710	19710	19600	19600

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		1-Nov-13	31-Oct-13	
Amravati	Mech-1	4400	4250	150
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5100	5100	Unch
Muktsar	B.T. Cotton	5300	5400	-100
Patan	B.T. Cotton	Closed	Closed	-
Rajkot	B.T. Cotton	5050	Closed	-
Fazilika*	B.T. Cotton(Narma)	5210	5450	-240
Bhiwani	B.T. Cotton	4500	4510	-10
Bhiwani*	B.T. Cotton	5400	5500	-100
Sirsa*	B.T. Cotton	4425	4490	-65
Ahmedabad	Shankar-6	4900	5000	-100
Gondal*	Shankar-6	5105	5060	45
Sri-Ganganagar	J-34	4400	4460	-60
Abohar*	J-34	4500	4610	-110
Muktsar	J-34	4500	4625	-125
Fazilika*	J-34	4550	4680	-130
Bhatinda	J-34	4590	4620	-30
Mansa	J-34	4500	4610	-110

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		1-Nov-13	31-Oct-13	
Amravati	Mech-1	5000	5000	Unch
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	35000	40000	-5000
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	Closed	Closed	-
Rajkot	B.T. Cotton	8000	Closed	-
Fazilika*	B.T. Cotton	1500	2000	-500
Bhiwani*	B.T. Cotton	2500	2500	Unch
Sirsa*	B.T. Cotton	1700	1190	510
Ahmedabad	Shankar-6	20000	23000	-3000
Gondal*	Shankar-6	2996	3416	-420
Sri-Ganganagar	J-34	2000	1500	500
Abohar*	J-34	1700	1700	Unch
Muktsar	J-34	255	510	-255
Bhatinda	J-34	22100	25500	-3400
Mansa	J-34	425	510	-85

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				31-Oct-13	30-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40300	42000	-1700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41400	43000	-1600
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40700	41700	-1000
Shankar-6(105)	29mm	3.5 - 4.9	28	41000	42000	-1000
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41900	43100	-1200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42400	NQ	-
DCH-32(107)	34mm	3.0 - 3.8	33	53000	54000	-1000



China Cotton Index: As on 1/11/2013

Cotlook Index: As on 31/10/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.40	-0.30

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 31/10/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	75.43	78.93	Nil
North Delta	75.18	77.68	Nil
South Delta	75.18	77.68	Nil
East TX-OK	76.50	78.75	Nil
West Texas	76.50	79.50	960
Desert SW	71.68	78.43	Nil
SJ Valley	72.18	82.83	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 31/10/2013

Contract	Open	High	Low	Close	Change
Dec-13	77.96	79.09	77.11	77.18	-0.66
Mar-14	79.85	80.96	79.12	79.20	-0.63
May-14	80.99	81.54	79.81	79.89	-0.64
Jul-14	81.9	82.00	80.40	80.50	-0.64
Oct-14	76.98	76.98	76.98	76.98	-0.50
Dec-14	77.36	77.60	76.51	76.54	-0.36

Pakistan Cotton Spot rates: As on 31/10/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6600	155	6755
Equivalent	40 Kgs	7073	155	7228

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