

Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed weak tone on Saturday.
- Prices ruled lower amid Diwali festivities, as most of the markets remained closed.
- 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	-6.5	959.00	959.00	952.50	954.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-5	10	0
Mar-14	0	0	17	0
Apr-14	2,935	-1,005	8041	349

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			55.5

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	-9.80	926.00	926.00	921.20	923.40
Apr-14	-5.10	961.70	962.60	958.00	959.40

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	4	-19	93	-1
Apr-14	38	-22	326	2

Spread

	Apr-14	May-14
Mar-14	86.6	
Apr-14		50.6

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	-0.89	19000	19040	18830	18900
31-Dec-13	-1	19160	19160	18960	19030
31-Jan-14	-0.89	19200	19320	19160	19300
27-Feb-14	-0.31	19500	19500	19500	19500
31-Mar-14	-0.71	19830	19900	19740	19750

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		2/11/2013	1/11/2013	
Amravati	Mech-1	Closed	4400	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5000	5100	-100
Muktsar	B.T. Cotton	Closed	5300	-
Patan	B.T. Cotton	Closed	Closed	-
Rajkot	B.T. Cotton	Closed	5050	-
Fazilika*	B.T. Cotton	5200	5210	-10
Bhiwani	B.T. Cotton	4470	4500	-30
Bhiwani*	B.T. Cotton	5380	5400	-20
Sirsa	B.T. Cotton	4340	4425	-85
Ahmedabad	Shankar-6	Closed	4900	-
Gondal	Shankar-6	Closed	5105	-
Sri-Ganganagar	J-34	Closed	4400	-
Abohar	J-34	Closed	4500	-
Muktsar	J-34	Closed	4500	-
Fazilika*	J-34	4470	4550	-80
Bhatinda	J-34	Closed	4590	-
Mansa	J-34	Closed	4500	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals		Change
		2/11/2013	1/11/2013	
Amravati	Mech-1	Closed	5000	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	35000	35000	Unch
Muktsar	B.T. Cotton	Closed	No Arrival	-
Patan	B.T. Cotton	Closed	Closed	-
Rajkot	B.T. Cotton	Closed	8000	-
Fazilika*	B.T. Cotton	1000	1500	-500
Bhiwani*	B.T. Cotton	1000	2500	-1500
Sirsa	B.T. Cotton	850	1700	-850
Ahmedabad	Shankar-6	Closed	20000	-
Gondal	Shankar-6	Closed	2996	-
Sri-Ganganagar	J-34	Closed	2000	-
Abohar	J-34	Closed	1700	-
Muktsar	J-34	Closed	255	-
Fazilika*	J-34	-	-	-
Bhatinda	J-34	Closed	22100	-
Mansa	J-34	Closed	425	-

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				1-Nov-13	31-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40300	40300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41400	41400	Unch
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40300	40700	-400
Shankar-6(105)	29mm	3.5 - 4.9	28	40700	41000	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41600	41900	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42000	42400	-400



DCH-32(107)	34mm	3.0 - 3.8	33	53000	53000	Unch
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China Cotton Index: As on 2/11/2013

Cotlook Index: As on 1/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.90	-0.50

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 1/11/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	74.83	78.33	Nil
North Delta	74.58	77.08	Nil
South Delta	74.58	77.68	Nil
East TX-OK	76.00	78.25	2423
West Texas	76.00	79.00	7314
Desert SW	71.33	78.08	Nil
SJ Valley	71.83	82.48	500

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 1/11/2013

Contract	Open	High	Low	Close	Change
Dec-13	77.15	77.63	76.54	76.58	-0.60
Mar-14	79.19	79.58	78.67	78.70	-0.50
May-14	80.20	80.23	79.37	79.40	-0.49
Jul-14	80.79	80.81	79.94	80.01	-0.49
Oct-14	79.74	79.74	76.74	76.74	-0.24
Dec-14	76.86	76.86	76.50	76.51	-0.03

Pakistan Cotton Spot rates: As on 1/11/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6550	155	6705
Equivalent	40 Kgs	7020	155	7175

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