

### Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed weak tone on Wednesday.
- Sluggish trading activities made prices to rule down.
- Despite the fair prices this year, farmers in Punjab are facing loss as 30% of cotton crop has been damaged due to heavy rains in August this year.
- According to the market participants, consumption this year is likely to increase to 300 lakh bales, compared to 287 lakh bales last year.
- 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:

- As per the market participants, world production would be around 25.7 million tons this year, which was earlier estimated to be around 25.5 million tons.
- Cotton imports in China are likely to decline by 20%
- Production in China would be around 6.93 Million Tons, as per the China cotton association estimates.
- International Prices during the initial two month of season (Aug-Jul) remained higher compared to initial months of last two year.
- Major exporters this year would be United States, India and Australia followed by Uzbekistan, Brazil and Mali as per USDA estimates.
- International prices are likely to rule lower as consumption is following production because most of the countries are producing more of what was expected earlier.

**Outlook:** We expect domestic cotton prices to notice higher momentum in coming days amid actual buying .

#### 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	6	912.00	939.00	912.00	933.00
Apr-14	8	961.00	967.00	961.00	967.00

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-5	10	0
Mar-14	22	22	17	0
Apr-14	5,360	253	7701	286

#### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		102	
Apr-14			68

**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	2.10	938.90	938.90	935.00	935.00
Apr-14	9.10	967.50	972.00	966.60	971.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	2	-25	94	1
Apr-14	84	-5	325	6

#### Spread

	Apr-14	May-14
Mar-14	100	
Apr-14		63.5

**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	1.05	19050	19250	18980	19180
31-Dec-13	1.32	19040	19260	18960	19200
31-Jan-14	1.47	19180	19400	19070	19360
27-Feb-14	1.66	19330	19590	19270	19560
31-Mar-14	0.97	19760	19760	19720	19720

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		6-Nov-13	2-Nov-13	
Amravati	Mech-1	4400	Closed	-
Khandwa	Mech-1	4600	No Arrival	-
Khargaon	Mech-1	4700	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5000	5000	Unch
Muktsar	B.T. Cotton	5200	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Rajkot	B.T. Cotton	Closed	Closed	-
Fazilika*	B.T. Cotton(Narma)	5250	5200	50
Bhiwani	B.T. Cotton	4270	4470	-200
Bhiwani*	B.T. Cotton	5300	5380	-80
Sirsa*	B.T. Cotton	4325	4340	-15
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal*	Shankar-6	Closed	Closed	-
Sri-Ganganagar	J-34	4300	Closed	-
Abohar*	J-34	4440	Closed	-
Muktsar	J-34	4000	Closed	-
Fazilika*	J-34	4315	4470	-155
Bhatinda	J-34	4550	Closed	-
Mansa	J-34	4435	Closed	-

\* New Crop

### Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		6-Nov-13	2-Nov-13	
Amravati	Mech-1	6000	Closed	-
Khandwa	Mech-1	400	No Arrival	-
Khargaon	Mech-1	4000	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	20000	35000	<b>-15000</b>
Muktsar	B.T. Cotton	No Arrival	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Rajkot	B.T. Cotton	Closed	Closed	-
Fazilika*	B.T. Cotton	2500	1000	<b>1500</b>
Bhiwani*	B.T. Cotton	400	1000	<b>-600</b>
Sirsa*	B.T. Cotton	680	850	<b>-170</b>
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal*	Shankar-6	Closed	Closed	-
Sri-Ganganagar	J-34	500	Closed	-
Abohar*	J-34	340	Closed	-
Muktsar	J-34	170	Closed	-
Bhatinda	J-34	10200	Closed	-
Mansa	J-34	340	Closed	-

\* New Crop

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				2-Nov-13	1-Nov-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40300	40300	<b>Unch</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41300	41400	<b>-100</b>
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40000	40300	<b>-300</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	40400	40700	<b>-300</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41300	41600	<b>-300</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41700	42000	<b>-300</b>
DCH-32(107)	34mm	3.0 - 3.8	33	53000	53000	<b>Unch</b>



### China Cotton Index: As on 6/11/2013

### Cotlook Index: As on 5/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.25	<b>-0.35</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 5/11/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	74.19	77.69	<b>600</b>
North Delta	73.94	76.44	<b>Nil</b>
South Delta	73.94	76.44	<b>291</b>
East TX-OK	75.25	77.50	<b>2355</b>
West Texas	75.25	78.25	<b>4133</b>
Desert SW	70.69	77.44	<b>Nil</b>
SJ Valley	71.19	81.84	<b>Nil</b>

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 5/11/2013

Contract	Open	High	Low	Close	Change
<b>Dec-13</b>	76.06	76.25	75.27	75.94	<b>-0.01</b>
<b>Mar-14</b>	78.43	78.51	77.64	78.03	<b>-0.20</b>
<b>May-14</b>	79.04	79.07	78.41	78.72	<b>-0.21</b>
<b>Jul-14</b>	79.67	79.67	79.05	79.28	<b>-0.24</b>
<b>Oct-14</b>	76.25	76.25	76.25	76.25	<b>-0.19</b>
<b>Dec-14</b>	76.53	76.53	76.05	76.27	<b>-0.13</b>

### Pakistan Cotton Spot rates: As on 5/11/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	6400	155	6555
<b>Equivalent</b>	40 Kgs	6859	155	7014

### **Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2013 Indian Agribusiness Systems Pvt Ltd.