



Cotton Domestic Fundamentals:

- Cotton prices in domestic markets noticed firm tone on Thursday.
- Demands from millers, spinners and traders boosted the trading activity, making price to rule higher.
- 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% because of its sentiments over ending the stockpiling program.
- 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	-10	892.00	900.00	892.00	900.00
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	-15	966.00	969.50	951.50	951.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	4	4	10	0
Mar-14	0	-22	18	1
Apr-14	5,367	7	7601	-100

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	117		
Mar-14		--	
Apr-14			65.5

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	-7.00	939.40	939.40	930.00	930.00
Apr-14	-11.60	973.90	973.90	957.00	959.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	5	3	94	0
Apr-14	125	41	347	22

Spread

	Apr-14	May-14
Mar-14	87	
Apr-14		57.5

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	-0.78	19240	19290	19030	19050
31-Dec-13	-0.78	19270	19310	19050	19060
31-Jan-14	-0.88	19420	19450	19170	19170
27-Feb-14	-0.97	19610	19630	19360	19360
31-Mar-14	-0.05	19810	19810	19730	19730

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		7-Nov-13	6-Nov-13	
Amravati	Mech-1	4350	4400	-50
Khandwa	Mech-1	4800	4600	200
Khargaon	Mech-1	4900	4700	200
Mahesana(Kadi)	B.T. Cotton	5050	5000	50
Muktsar	B.T. Cotton	5400	5200	200
Patan	B.T. Cotton	Closed	Closed	-
Rajkot	B.T. Cotton	5085	Closed	-
Fazilika*	B.T. Cotton(Narma)	5350	5250	100
Bhiwani	B.T. Cotton	4600	4270	330
Bhiwani*	B.T. Cotton	5550	5300	250
Sirsa*	B.T. Cotton	4420	4325	95
Ahmedabad	Shankar-6	5000	Closed	-
Gondal*	Shankar-6	5035	Closed	-
Sri-Ganganagar	J-34	4400	4300	100
Abohar*	J-34	4520	4440	80
Muktsar	J-34	4525	4000	525
Fazilika*	J-34	4250	4315	-65
Bhatinda	J-34	4525	4550	-25
Mansa	J-34	4500	4435	65

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		7-Nov-13	6-Nov-13	
Amravati	Mech-1	4500	6000	-1500
Khandwa	Mech-1	400	400	Unch
Khargaon	Mech-1	4000	4000	Unch
Mahesana(Kadi)	B.T. Cotton	30000	20000	10000
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	Closed	Closed	-
Rajkot	B.T. Cotton	1550	Closed	-
Fazilika*	B.T. Cotton	2500	2500	Unch
Bhiwani*	B.T. Cotton	1000	400	600
Sirsa*	B.T. Cotton	170	680	-510
Ahmedabad	Shankar-6	8000	Closed	-
Gondal*	Shankar-6	1792	Closed	-
Sri-Ganganagar	J-34	700	500	200
Abohar*	J-34	4520	340	4180
Muktsar	J-34	119	170	-51
Bhatinda	J-34	8500	10200	-1700
Mansa	J-34	255	340	-85

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				6-Nov-13	2-Nov-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	41300	41300	Unch
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39700	40000	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	40400	40400	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41300	41300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41700	41700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	53000	53000	Unch



China Cotton Index: As on 7/11/2013

Cotlook Index: As on 6/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.25	Unch

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 6/11/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	75.32	78.82	151
North Delta	75.07	77.57	Nil
South Delta	75.07	77.57	Nil
East TX-OK	76.00	78.25	1386
West Texas	76.00	79.00	14684
Desert SW	71.82	78.57	Nil
SJ Valley	72.32	82.97	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 6/11/2013

Contract	Open	High	Low	Close	Change
Dec-13	76.09	78.94	75.98	77.07	1.13
Mar-14	78.01	80.52	78.01	79.19	1.16
May-14	78.78	81.05	78.73	79.84	1.12
Jul-14	79.66	81.55	79.66	80.38	1.10
Oct-14	77.22	77.22	77.22	77.22	0.97
Dec-14	76.75	77.9	76.75	77.11	0.84

Pakistan Cotton Spot rates: As on 6/11/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6350	155	6505
Equivalent	40 Kgs	6805	155	6960

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