



Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed firm tone on Tuesday.
- Prices ruled higher on actual buying by traders to fulfill the December export commitments.
- Gujarat is likely to produce 11.5 million bales of cotton this season (2013-14) whereas it was 8.7 million bales last season.
- Cotton market is expected to notice firmness from December onwards as mills are likely to buy actively.
- Cotton association of India has revised the cotton production estimate at 380.5 lakh bales, 0.5 lakh bales less than the previous estimates.
- According to the market participants, consumption this year is likely to increase to 300 lakh bales, compared to 287 lakh bales last year.
- As per the USDA estimates, cotton exports from India are likely to decline by 9%.

Cotton International Fundamentals:

- As per the USDA report, 68% of cotton crop has been harvested in USA as on 17 November, lower when compared to average of previous 5 years during the same period, which was 75%.
- Production of cotton in Pakistan this season till 15 November stood around 9.51 million bales, compared to 8.519 million bales during the same period last season.
- Australia is expected to have strongest cotton yield of around 2.107 tons per hectare during current season (2013-14).
- During the initial 10 months of the year, China has imported around 3.37 million tons of fiber, 21.7% lesser than the import during the same period last year.
- Cotton production in China during the year 2013-14 would be 6.678 million tones, 12.3% lesser than previous year.
- World cotton stockpiles next year would be around 19.81 million tones, 7% bigger than what was estimated in July this year, as reported by ICAC.

Outlook: We expect domestic cotton prices to remain weak to steady in coming days.

NCDEX Kapas Futures : (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	-2.5	938.00	945.50	933.50	935.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-2	12	-1
Mar-14	0	0	4	0
Apr-14	5,455	-1,086	9044	59

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
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 : (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Mar-14	-2.60	880.30	901.90	880.30	888.50
Apr-14	-2.50	939.10	948.00	938.00	939.40

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	18	-3	187	-1
Apr-14	81	-24	268	10

Spread

	Apr-14	May-14
Mar-14	116.5	
Apr-14		65.6

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	0.16	18670	18900	18640	18740
31-Dec-13	0	18750	18940	18730	18800
31-Jan-14	0.11	18940	19150	18930	19020
27-Feb-14	0.31	19120	19300	19120	19220
31-Mar-14	0.46	19560	19560	19400	19450
30-Apr-14	--	--	--	--	--

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		19-Nov-13	18-Nov-13	
Amravati	Mech-1	4400	4500	-100
Khandwa	Mech-1	4800	4800	Unch
Khargaon	Mech-1	4800	4800	Unch
Mahesana(Kadi)	B.T. Cotton	5050	5000	50
Rajkot	B.T. Cotton	4950	5025	-75
Patan	B.T. Cotton	4930	4930	Unch
Muktsar	B.T. Cotton	5200	5100	100
Fazilika*	B.T. Cotton(Narma)	5025	5025	Unch
Sirsa*	B.T. Cotton	4175	4130	45
Bhiwani	B.T. Cotton	4150	4100	50
Bhiwani*	B.T. Cotton	5200	5100	100
Ahmedabad	Shankar-6	4875	4850	25
Gondal*	Shankar-6	4915	4865	50
Sri-Ganganagar	J-34	4150	4125	25
Abohar*	J-34	4300	4220	80
Muktsar	J-34	4300	4235	65
Fazilika*	J-34	4300	4320	-20
Bhatinda	J-34	4285	4225	60
Mansa	J-34	4275	4225	50

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		19-Nov-13	18-Nov-13	
Amravati	Mech-1	7000	6000	1000
Khandwa	Mech-1	1500	1000	500
Khargaan	Mech-1	20000	15000	5000
Mahesana(Kadi)	B.T. Cotton	30000	60000	-30000
Rajkot	B.T. Cotton	8000	5000	3000
Patan	B.T. Cotton	20831	16218	4613
Fazilika*	B.T. Cotton	1200	1100	100
Sirsa*	B.T. Cotton	1190	1360	-170
Bhiwani*	B.T. Cotton	600	600	Unch
Ahmedabad	Shankar-6	40000	40000	Unch
Gondal*	Shankar-6	3513	2919	594
Sri-Ganganagar	J-34	1500	1500	Unch
Abohar*	J-34	680	680	Unch
Muktsar	J-34	255	255	Unch
Bhatinda	J-34	20400	25500	-5100
Mansa	J-34	680	595	85

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				18-Nov-13	16-Nov-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40400	41400	-1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41400	42400	-1000
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38600	39500	-900
Shankar-6(105)	29mm	3.5 - 4.9	28	39300	40200	-900
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39700	40600	-900
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40000	40900	-900
DCH-32(107)	34mm	3.0 - 3.8	33	54000	54000	Unch



China Cotton Index: As on 19/11/2013

Cotlook Index: As on 18/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.70	0.80

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 18/11/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	75	78.96	Nil
North Delta	75	77	Nil
South Delta	75	77	Nil
East TX-OK	74	77	386
West Texas	74	77	4842
Desert SW	72	79	Nil
SJ Valley	73	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 18/11/2013

Contract	Open	High	Low	Close	Change
Dec-13	77.09	77.24	76.30	76.37	-0.75
Mar-14	78.20	78.29	77.63	77.71	-0.49
May-14	78.10	78.67	78.10	78.26	-0.45
Jul-14	78.70	79.20	78.63	78.76	-0.53
Oct-14	76.02	77.24	76.02	76.38	-0.55
Dec-14	76.20	76.34	75.97	75.97	-0.57

Pakistan Cotton Spot rates: As on 16/11/2013 (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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