



Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed mixed tone on Wednesday.
- Prices ruled mixed amid sentiments of China imports on one hand and heavy arrivals on other.
- Export demand currently is not strong as compared to demand in previous year during same period.
- 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:

- China state reserve procured 86000 tons of cotton on Tuesday, as reported by market participants.
- 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 rangebound in coming days.

NCDEX Kapas Futures : (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-14	5.5	871.50	871.50	871.50	871.50
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	4.5	937.00	943.50	931.00	940.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	1	12	0
Mar-14	0	0	4	0
Apr-14	5,594	139	8664	-380

Spread

	Feb-14	Mar-14	Apr-14
Feb-14	122.5		
Mar-14		--	
Apr-14			53.5

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	4.90	890.00	896.90	883.80	895.00
Apr-14	4.50	940.20	950.00	935.60	944.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	38	20	193	6
Apr-14	61	-20	275	7

Spread

	Apr-14	May-14
Mar-14	99	
Apr-14		50

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	0.8	18750	18950	18670	18920
31-Dec-13	0.69	18820	18980	18700	18950
31-Jan-14	0.63	19030	19190	18900	19160
27-Feb-14	0.68	19170	19360	19100	19360
31-Mar-14	0.51	19440	19590	19390	19580
30-Apr-14	--	--	--	--	--

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		20-Nov-13	19-Nov-13	
Amravati	Mech-1	4800	4400	400
Khandwa	Mech-1	NR	4800	-
Khargaon	Mech-1	NR	4800	-
Mahesana(Kadi)	B.T. Cotton	5050	5050	Unch
Rajkot	B.T. Cotton	4970	4950	20
Patan	B.T. Cotton	4905	4930	-25
Muktsar	B.T. Cotton	5200	5200	Unch
Fazilika*	B.T. Cotton(Narma)	5020	5025	-5
Sirsa*	B.T. Cotton	4150	4175	-25
Bhiwani	B.T. Cotton	4100	4150	-50
Bhiwani*	B.T. Cotton	5150	5200	-50
Ahmedabad	Shankar-6	4900	4875	25
Gondal*	Shankar-6	4895	4915	-20
Sri-Ganganagar	J-34	4150	4150	Unch
Abohar*	J-34	4270	4300	-30
Muktsar	J-34	4275	4300	-25
Fazilika*	J-34	4300	4300	Unch
Bhatinda	J-34	4270	4285	-15
Mansa	J-34	4260	4275	-15

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		20-Nov-13	19-Nov-13	
Amravati	Mech-1	1500	7000	-5500
Khandwa	Mech-1	NR	1500	-
Khargaon	Mech-1	NR	20000	-
Mahesana(Kadi)	B.T. Cotton	35000	30000	5000
Rajkot	B.T. Cotton	8800	8000	800
Patan	B.T. Cotton	22998	20831	2167
Fazilika*	B.T. Cotton	1000	1200	-200
Sirsa*	B.T. Cotton	1360	1190	170
Bhiwani*	B.T. Cotton	700	600	100
Ahmedabad	Shankar-6	42000	40000	2000
Gondal*	Shankar-6	2475	3513	-1038
Sri-Ganganagar	J-34	2000	1500	500
Abohar*	J-34	850	680	170
Muktsar	J-34	255	255	Unch
Bhatinda	J-34	22950	20400	2550
Mansa	J-34	680	680	Unch

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				19-Nov-13	18-Nov-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40400	40400	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	38900	38600	300
Shankar-6(105)	29mm	3.5 - 4.9	28	39700	39300	400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40000	39700	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40200	40000	200
DCH-32(107)	34mm	3.0 - 3.8	33	54500	54000	500



China Cotton Index: As on 20/11/2013

Cotlook Index: As on 19/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.10	-0.60

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 19/11/2013

Contract	Open	High	Low	Close	Change
Dec-13	76.26	76.60	75.70	75.88	-0.49
Mar-14	77.70	78.08	77.44	77.56	-0.15
May-14	78.39	78.58	78.01	78.13	-0.13
Jul-14	78.92	79.05	78.50	78.70	-0.06
Oct-14	76.25	76.25	76.25	76.25	-0.13
Dec-14	76.02	76.15	75.64	75.77	-0.20

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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