



### Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed firm tone on Thursday.
- Prices ruled higher as exporter are buying rapidly to fulfill their December delivery commitments.
- Mills are not buying aggressively as they are seeking the price trend for the future purchase.
- 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.

### Cotton International Fundamentals:

- China October cotton imports stood around 1.41 lakh tons, 48.1% lower than previous year.
- 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 range bound to firm 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	-6	939.50	942.00	932.00	935.00

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-1	12	0
Mar-14	0	0	4	0
Apr-14	3,625	-1,969	8788	124

#### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		--	
Apr-14			58

**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	-3.40	895.50	895.50	891.20	891.20
Apr-14	-6.10	943.30	946.10	936.50	938.90

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	8	-30	194	1
Apr-14	44	-17	285	10

#### Spread

	Apr-14	May-14
Mar-14	101.8	
Apr-14		54.1

**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	-0.42	18900	18980	18710	18840
31-Dec-13	-0.58	18930	19020	18750	18840
31-Jan-14	-0.63	19170	19190	18970	19040
27-Feb-14	-0.62	19360	19370	19180	19240
31-Mar-14	-0.26	19590	19590	19430	19430
30-Apr-14	--	--	--	--	--

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		21-Nov-13	20-Nov-13	
Amravati	Mech-1	4450	4800	-350
Khandwa	Mech-1	NR	NR	-
Khargaon	Mech-1	NR	NR	-
Mahesana(Kadi)	B.T. Cotton	5150	5050	100
Rajkot	B.T. Cotton	4965	4970	-5
Patan	B.T. Cotton	4950	4905	45
Muktsar	B.T. Cotton	5200	5200	Unch
Fazilika*	B.T. Cotton	5025	5020	5
Sirsa*	B.T. Cotton	4225	4150	75
Bhiwani	B.T. Cotton	4400	4100	300
Bhiwani*	B.T. Cotton	5270	5150	120
Ahmedabad	Shankar-6	4950	4900	50
Gondal*	Shankar-6	4925	4895	30
Sri-Ganganagar	J-34	4220	4150	70
Abohar*	J-34	4330	4270	60
Muktsar	J-34	4325	4275	50
Fazilika*	J-34	4325	4300	25
Bhatinda	J-34	4330	4270	60
Mansa	J-34	4310	4260	50

\* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		21-Nov-13	20-Nov-13	
Amravati	Mech-1	6500	1500	5000
Khandwa	Mech-1	NR	NR	-
Khargaon	Mech-1	NR	NR	-
Mahesana(Kadi)	B.T. Cotton	35000	35000	Unch
Rajkot	B.T. Cotton	8100	8800	-700
Patan	B.T. Cotton	20471	22998	-2527
Muktsar	B.T. Cotton	255	255	Unch
Fazilika*	B.T. Cotton	1200	1000	200
Sirsa*	B.T. Cotton	850	1360	-510
Bhiwani*	B.T. Cotton	1000	700	300
Ahmedabad	Shankar-6	42000	42000	Unch
Gondal*	Shankar-6	2331	2475	-144
Sri-Ganganagar	J-34	1500	2000	-500
Abohar*	J-34	680	850	-170
Bhatinda	J-34	23800	22950	850
Mansa	J-34	510	680	-170

\* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				20-Nov-13	19-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	39100	38900	200
Shankar-6(105)	29mm	3.5 - 4.9	28	39900	39700	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40200	40000	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40400	40200	200
DCH-32(107)	34mm	3.0 - 3.8	33	55000	54500	500



### China Cotton Index: As on 21/11/2013

#### Cotlook Index: As on 20/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.10	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 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 20/11/2013

Contract	Open	High	Low	Close	Change
Dec-13	75.76	77.44	75.38	75.63	-0.25
Mar-14	77.69	79.45	77.62	78.14	0.58
May-14	78.18	79.85	78.17	78.62	0.49
Jul-14	78.73	80.29	78.73	79.19	0.49
Oct-14	76.73	76.73	76.73	76.73	0.48
Dec-14	76.10	77.29	76.10	76.24	0.47

#### 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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