



### Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed mixed tone on Friday.
- Heavy arrivals and weak demand are forcing prices to remain weak.
- 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:

- Textile import in China has increased by 28.6% against the same period last year
- China state reserve procured 121700 tons of cotton on Thursday, 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 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	-10	885.00	885.00	885.00	885.00
Apr-14	-9.5	934.00	938.00	922.50	925.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	0	12	0
Mar-14	1	1	4	0
Apr-14	6,010	2,385	9518	730

#### Spread

	Feb-14	Mar-14	Apr-14
Feb-14	--		
Mar-14		106	
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 : (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Mar-14	-9.10	893.90	893.90	885.00	885.00
Apr-14	-7.90	933.00	937.80	928.00	930.30

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	10	2	192	-2
Apr-14	100	56	281	-4

#### Spread

	Apr-14	May-14
Mar-14	106	
Apr-14		60.7

**NB:** Spread was done by taking avg spot prices at Rajkot – B.T.Cotton market. Basis = Spot- April

Contract	% Change	Open	High	Low	Close
29-Nov-13	-0.21	18850	18910	18760	18800
31-Dec-13	-0.37	18840	18880	18710	18770
31-Jan-14	-0.32	19020	19080	18910	18980
27-Feb-14	-0.26	19200	19250	19130	19190
31-Mar-14	-0.46	19400	19400	19400	19400
30-Apr-14	-0.51	19700	19700	19700	19700

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		22-Nov-13	21-Nov-13	
Amravati	Mech-1	4500	4450	50
Khandwa	Mech-1	4850	NR	-
Khargaon	Mech-1	4850	NR	-
Mahesana(Kadi)	B.T. Cotton	5025	5150	-125
Rajkot	B.T. Cotton	4955	4965	-10
Patan	B.T. Cotton	4880	4950	-70
Muktsar	B.T. Cotton	5300	5200	100
Fazilika*	B.T. Cotton	5100	5025	75
Sirsa*	B.T. Cotton	4230	4225	5
Bhiwani	B.T. Cotton	4450	4400	50
Bhiwani*	B.T. Cotton	5250	5270	-20
Ahmedabad	Shankar-6	4900	4950	-50
Gondal*	Shankar-6	4895	4925	-30
Sri-Ganganagar	J-34	4230	4220	10
Abohar*	J-34	4330	4330	Unch
Muktsar	J-34	4335	4325	10
Fazilika*	J-34	4350	4325	25
Bhatinda	J-34	4335	4330	5
Mansa	J-34	4330	4310	20

\* New Crop

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		22-Nov-13	21-Nov-13	
Amravati	Mech-1	7000	6500	500
Khandwa	Mech-1	1000	NR	-
Khargaon	Mech-1	15000	NR	-
Mahesana(Kadi)	B.T. Cotton	45000	35000	10000
Rajkot	B.T. Cotton	7800	8100	-300
Patan	B.T. Cotton	18288	20471	-2183
Muktsar	B.T. Cotton	340	255	85
Fazilika*	B.T. Cotton	1200	1200	Unch
Sirsa*	B.T. Cotton	1360	850	510
Bhiwani*	B.T. Cotton	800	1000	-200
Ahmedabad	Shankar-6	68000	71400	-3400
Gondal*	Shankar-6	2475	2331	144
Sri-Ganganagar	J-34	3400	2550	850
Abohar*	J-34	850	680	170
Bhatinda	J-34	22100	23800	-1700
Mansa	J-34	680	510	170

\* New Crop

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				21-Nov-13	20-Nov-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39900	40400	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	41400	-500
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39200	39100	100
Shankar-6(105)	29mm	3.5 - 4.9	28	40100	39900	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40400	40200	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40600	40400	200
DCH-32(107)	34mm	3.0 - 3.8	33	55000	55000	Unch



### China Cotton Index: As on 22/11/2013

### Cotlook Index: As on 21/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.50	+0.40

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 21/11/2013

Contract	Open	High	Low	Close	Change
Dec-13	75.78	76.05	74.50	74.79	-0.84
Mar-14	78.14	78.70	78.14	78.35	0.21
May-14	78.95	79.12	78.69	78.88	0.26
Jul-14	79.40	79.60	79.31	79.46	0.27
Oct-14	77.02	77.02	77.02	77.02	0.29
Dec-14	76.50	76.65	76.50	76.55	0.31

### 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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