

Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed weak tone on Wednesday.
- Prices ruled higher in most of the markets amid noticeable demand from millers and exporters.
- Degraded quality has been reported in crops of Maharashtra and Madhya Pradesh.
- Contracts have been signed by exporter to supply cotton to China at 82 Cents/Lb C&F.
- CCI (Cotton Corporation of India) offers 10500 bales of cotton to sell, through E-auction.
- Recent cyclone Helen, in Andhra Pradesh has damaged around 10 lakh acre of crop, including cotton.
- 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 association of India has revised the cotton production estimate at 380.5 lakh bales, 0.5 lakh bales less than the previous estimates.

Cotton International Fundamentals:

- Unfavorable weather conditions in USA provided support to the prices.
- China cotton yarn import in October stood 182500 tonnes, 9.17% lower to the previous month import and 44.34% higher than previous year during the same period.
- As per the NCMMS (National Cotton Market Monitoring System) report 94.2% of cotton crop in China has been harvested as on 22 Nov. 0.4% down on year on year basis.
- International cotton futures witness pressure on possible pullback in demand when China will begin to release its stocks.
- 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.
- 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					
Mar-14					
Apr-14	-5	920	926.5	915.5	917

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-1	9	0
Mar-14	1	0	5	0
Apr-14	4,125	-84	10167	359

Spread

	Feb-14	Mar-14	Apr-14
Spot	--		
Feb-14		--	
Mar-14			--

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

**MCX Kapas Futures : (Prices in Rs/20kg)**

Contract	+/-	Open	High	Low	Close
Mar-14	-8.30	877.20	884.90	873.00	873.70
Apr-14	-3.90	928.90	929.60	920.50	922.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	14	-4	200	4
Apr-14	83	-3	290	6

Spread

	Mar-14	Apr-14
Spot	110.3	
Mar-14		48.8

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

### MCX Cotton Futures Closed (29 mm Variety):

Contract	% Change	Open	High	Low	Close
29-Nov-13	0.11	19080	19080	18850	18870
31-Dec-13	-0.43	18690	18690	18430	18470
31-Jan-14	-0.27	18820	18900	18680	18730
27-Feb-14	-0.05	19110	19130	18950	19000
31-Mar-14	-0.72	19380	19420	19250	19320
30-Apr-14	--	--	--	--	--

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		27-Nov-13	26-Nov-13	
Amravati	Mech-1	4450	4500	-50
Khandwa	Mech-1	4700	4750	-50
Khargaon	Mech-1	4700	4750	-50
Mahesana(Kadi)	B.T. Cotton	5000	5050	-50
Rajkot	B.T. Cotton	4920	4920	Unch
Patan	B.T. Cotton	4935	4940	45
Muktsar	B.T. Cotton	5200	5200	Unch
Fazilika*	B.T. Cotton	5100	5050	50
Sirsa*	B.T. Cotton	4175	4210	-35
Bhiwani	B.T. Cotton	4300	4350	-50
Bhiwani*	B.T. Cotton	5170	5250	-80
Ahmedabad	Shankar-6	4900	4925	-25
Gondal*	Shankar-6	4860	Closed	-
Sri-Ganganagar	J-34	4180	4210	-30
Abohar*	J-34	4280	4315	-35
Muktsar	J-34	4290	4325	-35
Fazilika*	J-34	4280	4270	10
Bhatinda	J-34	4280	4325	-45
Mansa	J-34	4280	4300	-20

\* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		27-Nov-13	26-Nov-13	
Amravati	Mech-1	6500	7000	-500
Khandwa	Mech-1	1500	1000	500
Khargaon	Mech-1	12000	10000	200
Mahesana(Kadi)	B.T. Cotton	55000	50000	5000
Rajkot	B.T. Cotton	7700	8100	-400
Patan	B.T. Cotton	17651	20686	-3035
Muktsar	B.T. Cotton	510	510	Unch
Fazilika*	B.T. Cotton	1000	1200	-200
Sirsa*	B.T. Cotton	2550	1700	850
Bhiwani*	B.T. Cotton	1200	800	400
Ahmedabad	Shankar-6	76500	85000	-8500
Gondal*	Shankar-6	1893	Closed	-
Sri-Ganganagar	J-34	3400	2890	510
Abohar*	J-34	850	850	Unch
Bhatinda	J-34	25500	23800	1700
Mansa	J-34	680	850	-170

\* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				26-Nov-13	25-Nov-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40100	40400	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	41200	-300
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38800	38500	300
Shankar-6(105)	29mm	3.5 - 4.9	28	39500	39200	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40100	39800	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40500	40200	300
DCH-32(107)	34mm	3.0 - 3.8	33	56500	56000	500



### China Cotton Index: As on 27/11/2013

#### Cotlook Index: As on 26/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.90	1.15

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 26/11/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	77.14	80.89	Nil
North Delta	76.39	78.89	Nil
South Delta	76.39	78.89	417
East TX-OK	74.75	77	1965
West Texas	74.75	77.75	16190
Desert SW	73.39	80.14	Nil
SJ Valley	74.14	84.79	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 26/11/2013

Contract	Open	High	Low	Close	Change
<b>Dec-13</b>	77.1	78	77.1	77.85	0.89
<b>Mar-14</b>	78.46	79.65	78.21	79.14	0.68
<b>May-14</b>	78.76	79.8	78.76	79.59	0.83
<b>Jul-14</b>	79.3	80.18	79.3	80.03	0.84
<b>Oct-14</b>	78.28	78.28	77.6	77.6	0.61
<b>Dec-14</b>	76.44	77.2	76.2	76.64	0.38

#### Pakistan Cotton Spot rates: As on 22/11/2013 (in Pakistan Rupees)

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

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