

Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed weak tone on Thursday.
- Prices slipped down amid concerns over release of China cotton stock and record crop this year.
- 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 Andhara 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:

- China national cotton exchange announced that China will start selling cotton from its reserve from Nov.28 onwards at the floor price of 18000 yuan/tones.
- 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 weak 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	-3.5	916.5	918.5	910	914.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-1	9	0
Mar-14	1	0	5	0
Apr-14	4,257	48	10077	269

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	-4.60	870.10	874.60	860.20	872.50
Apr-14	-2.10	920.00	921.50	915.00	920.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	33	15	207	11
Apr-14	97	11	277	-7

Spread

	Mar-14	Apr-14
Spot	99.5	
Mar-14		47.5

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	-0.58	19040	19040	18690	18770
31-Dec-13	-0.81	18480	18480	18320	18380
31-Jan-14	-0.69	18710	18730	18570	18640
27-Feb-14	-0.58	18900	18950	18840	18890
31-Mar-14	-0.1	19200	19260	19180	19250
30-Apr-14	-0.86	19360	19560	19360	19560

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		28-Nov-13	27-Nov-13	
Amravati	Mech-1	4450	4450	Unch
Khandwa	Mech-1	NR	4700	-
Khargaan	Mech-1	NR	4700	-
Mahesana(Kadi)	B.T. Cotton	4900	5000	-100
Rajkot	B.T. Cotton	4860	4920	-60
Patan	B.T. Cotton	4890	4935	-45
Muktsar	B.T. Cotton	5100	5200	-100
Fazilika*	B.T. Cotton	5050	5100	-50
Sirsa*	B.T. Cotton	4125	4175	-50
Bhiwani*	B.T. Cotton	5150	5170	-20
Ahmedabad	Shankar-6	4850	4900	-50
Gondal*	Shankar-6	4810	4860	-50
Sri-Ganganagar	J-34	4115	4180	-65
Abohar*	J-34	4210	4280	-70
Muktsar	J-34	4225	4290	-65
Fazilika*	J-34	4250	4280	-30
Bhatinda	J-34	4215	4280	-65
Mansa	J-34	4225	4280	-55

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		28-Nov-13	27-Nov-13	
Amravati	Mech-1	7000	6500	500
Khandwa	Mech-1	NR	1500	-
Khargaon	Mech-1	NR	12000	-
Mahesana(Kadi)	B.T. Cotton	70000	55000	15000
Rajkot	B.T. Cotton	8000	7700	300
Patan	B.T. Cotton	15580	17651	-2071
Muktsar	B.T. Cotton	425	510	-85
Fazilika*	B.T. Cotton	1000	1000	Unch
Sirsa*	B.T. Cotton	1700	2550	-850
Bhiwani*	B.T. Cotton	1000	1200	-200
Ahmedabad	Shankar-6	71400	76500	-5100
Gondal*	Shankar-6	1966	1893	73
Sri-Ganganagar	J-34	2550	3400	-850
Abohar*	J-34	850	850	Unch
Bhatinda	J-34	22100	25500	-3400
Mansa	J-34	850	680	170

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				27-Nov-13	26-Nov-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39600	40100	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40900	-500
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38600	38800	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	39300	39500	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39900	40100	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40400	40500	-100
DCH-32(107)	34mm	3.0 - 3.8	33	56500	56500	Unch



China Cotton Index: As on 28/11/2013

Cotlook Index: As on 27/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.60	+0.70

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 27/11/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	76.69	80.44	1777
North Delta	75.69	78.19	Nil
South Delta	75.69	78.19	Nil
East TX-OK	74.50	76.75	2154
West Texas	74.50	77.25	7796
Desert SW	72.69	79.44	Nil
SJ Valley	73.44	84.09	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 27/11/2013

Contract	Open	High	Low	Close	Change
Dec-13	77.63	77.70	76.71	76.75	-1.10
Mar-14	79.11	79.33	77.44	78.44	-0.70
May-14	79.62	79.74	77.96	78.95	-0.64
Jul-14	80.04	80.15	78.44	79.50	-0.53
Oct-14	76.88	77.15	76.88	77.08	-0.52
Dec-14	76.70	76.70	75.25	76.14	-0.50

Pakistan Cotton Spot rates: As on 27/11/2013 (in Pakistan Rupees)

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

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