



Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed weak tone on Friday.
- Prices slipped down amid concerns over release of China cotton stock and record crop this year.
- Unfavorable weather and assembly elections have diminished the arrivals, which could move the price higher in near term.
- Mill consumption in India during September was 8% higher as compared to the previous year during same period.
- 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:

- China state reserve sold around 12311 tonnes of cotton with price range of 16990-18960 Yuan/Tonne.
- China cotton yarn import in October stood 182500 tones, 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.
- 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 in near term in coming days.

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

Contract	+/-	Open	High	Low	Close
Feb-14	-24.5	848.5	851	848.5	850
Mar-14	-12.5	865	871.5	861	862
Apr-14	-7.5	914	916	907	907.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	6	6	12	3
Mar-14	7	6	6	1
Apr-14	4,337	80	10150	73

Spread

	Feb-14	Mar-14	Apr-14
Spot	115		
Feb-14		12	
Mar-14			45.5

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	-5.20	864.10	874.40	864.00	864.00
Apr-14	-7.40	918.50	919.00	911.00	911.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	17	-16	205	-2
Apr-14	80	-17	293	16

Spread

	Mar-14	Apr-14
Spot	101	
Mar-14		47

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	18900	18950	18210	18230
31-Dec-13	-0.81	18420	18500	18260	18330
31-Jan-14	-0.69	18660	18750	18500	18600
27-Feb-14	-0.58	18910	19020	18840	18910
31-Mar-14	-0.1	19300	19300	19170	19230
30-Apr-14	--	--	--	--	--

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change
		29-Nov-13	28-Nov-13	
Amravati	Mech-1	4300	4450	-50
Khandwa	Mech-1	NR	NR	-
Khargaon	Mech-1	NR	NR	-
Mahesana(Kadi)	B.T. Cotton	4925	4900	25
Rajkot	B.T. Cotton	4825	4860	-35
Patan	B.T. Cotton	--	4890	--
Muktsar	B.T. Cotton	5050	5100	-50
Fazilika*	B.T. Cotton	4964	5050	-86
Sirsa*	B.T. Cotton	4100	4125	-25
Bhiwani*	B.T. Cotton	5100	5150	-50
Ahmedabad	Shankar-6	4800	4850	-50
Gondal*	Shankar-6	4765	4810	-45
Sri-Ganganagar	J-34	4100	4115	-15
Abohar*	J-34	4200	4210	-10
Muktsar	J-34	4200	4225	-25
Fazilika*	J-34	4215	4250	-35
Bhatinda	J-34	4200	4215	-15
Mansa	J-34	4190	4225	-35

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		29-Nov-13	28-Nov-13	
Amravati	Mech-1	8500	7000	1500
Khandwa	Mech-1	NR	NR	-
Khargaon	Mech-1	NR	NR	-
Mahesana(Kadi)	B.T. Cotton	50000	70000	-20000
Rajkot	B.T. Cotton	7500	8000	-500
Patan	B.T. Cotton		15580	
Muktsar	B.T. Cotton	425	425	Unch
Fazilika*	B.T. Cotton	1000	1000	Unch
Sirsa*	B.T. Cotton	1700	1700	Unch
Bhiwani*	B.T. Cotton	700	1000	-300
Ahmedabad	Shankar-6	76500	71400	5100
Gondal*	Shankar-6	1966	1966	Unch
Sri-Ganganagar	J-34	2550	2550	Unch
Abohar*	J-34	850	850	Unch
Bhatinda	J-34	25500	22100	3400
Mansa	J-34	850	850	Unch

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				28-Nov-13	27-Nov-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39600	39600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40400	Unch
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38300	38600	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	39000	39300	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39600	39900	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40100	40400	-300
DCH-32(107)	34mm	3.0 - 3.8	33	56500	56500	Unch



China Cotton Index: As on 29/11/2013

Cotlook Index: As on 28/11/2013

Cotlook Indices	Cents/Pound	Change
A-Index	84.90	-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 28/11/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6400	155	6555
Equivalent	40 Kgs	6859	155	7014

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