

Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed mixed tone on Tuesday.
- Concerns of higher availability this year on one hand and sentiments of recovery in prices from next month onwards led the mixed movements in prices.
- Millers and Exporter bought 30000 bales collectively in Gujarat, Maharashtra and Madhya Pradesh.
- 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 International Fundamentals:

- According to the ICAC report, world cotton output would be 25.64 million tons this season compared to 26.88 million tons last season.
- Turkey raw cotton imports stood 86210 tonnes during October this season versus 46876 tonnes last year during the same period.
- China stockpiles will reach around 11 million tons by the end of crop year 2013-14.
- At ICE, cotton ended the month with a slight gain, even prices fell to 10-month lows and open interest also decline to the lowest since 2012.
- In Pakistan, cotton arrivals are totaled at 9.5 million bales till November 15, 2013 while, it is likely to reach at 11 million bales until November 30, 2013-Traders Report.
- The bullish U.S. weekly export sales in recent weeks have shown that lower prices reignited demand.
- 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.

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	8.50	850.00	852.50	850.00	852.50
Mar-14	0.00	0.00		0.00	0.00
Apr-14	-4.00	914.00	918.50	910.00	910.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	4	3	14	0
Mar-14	0	0	6	0
Apr-14	3,717	-1,698	10964	391

Spread

	Feb-14	Mar-14	Apr-14
Spot	114.5		
Feb-14			
Mar-14			910

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	0.40	878.00	878.00	867.00	870.00
Apr-14	-0.20	918.00	922.50	915.00	915.80

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	14	-7	210	4
Apr-14	70	-1	299	0

Spread

	Mar-14	Apr-14
Spot	97	
Mar-14		45.8

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
31-Dec-13	0.22	18440	18580	18410	18510
31-Jan-14	0.16	18730	18870	18710	18810
27-Feb-14	0.16	19050	19170	19020	19110
31-Mar-14	0.31	19380	19450	19330	19400

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		3-Dec-13	2-Dec-13	
	Kapas	(Rs./Qtl.)		
Amravati	Mech-1	4250	4250	Unch
Khandwa	Mech-1	4700	4700	Unch
Khargaan	Mech-1	4700	4750	-50
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	4900	4900	Unch
Rajkot	B.T. Cotton	4835	4850	-15
Patan	B.T. Cotton	4765	4795	-30
Muktsar	B.T. Cotton	5150	5200	-50
Fazilika	B.T. Cotton	4950	NR	-
Bhiwani	B.T. Cotton	5000	4900	100
	Kapas	(Rs./Qtl.)		
Ahmedabad	Shankar-6	4775	4800	-25
Gondal	Shankar-6	4500	4800	-300
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	4125	4110	15
Muktsar	J-34	4110	4110	Unch
Fazilika	J-34	4030	NR	-
Bhatinda	J-34	4120	4115	5
Mansa	J-34	4120	4110	10
Sirsa	J-34	4025	4000	25
Sri-Ganganagar	J-34	3784	3760	24

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		3-Dec-13	2-Dec-13	
Amravati	Mech-1	7000	8000	-1000
Khandwa	Mech-1	2500	2000	500
Khargaan	Mech-1	8000	8000	Unch
Mahesana(Kadi)	B.T. Cotton	30000	20000	10000
Rajkot	B.T. Cotton	7800	8000	-200
Patan	B.T. Cotton	13650	12598	1052
Muktsar	B.T. Cotton	425	425	Unch
Fazilika	B.T. Cotton	1000	NR	-
Bhiwani	B.T. Cotton	200	100	100
Ahmedabad	Shankar-6	76500	85000	-8500
Gondal	Shankar-6	2389	2088	301
Abohar	J-34	1020	1190	-170
Bhatinda	J-34	22950	22100	850
Mansa	J-34	1105	935	170
Sirsa	J-34	2040	2040	Unch
Sri-Ganganagar	J-34	2550	1700	850

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				2-Dec-13	30-Nov-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39900	39600	300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40400	500
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37900	38100	-200
Shankar-6(105)	29mm	3.5 – 4.9	28	38500	38800	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39100	39400	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39700	39900	-200
DCH-32(107)	34mm	3.0 - 3.8	33	57500	56500	1000



China Cotton Index: As on 02/12/2013

Cotlook Index: As on 2/12/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.90	+1.00

Index	RMB/Ton	Change
CCIndex(328)	19557	-46
CCIndex(527)	NQ	-
CCIndex(229)	20383	-44

RMB - Renminbi, 1RMB = 0.16 \$U.S.

USDA Cotton Spot Rates: As on 2/12/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	76.87	80.62	102
North Delta	75.87	78.37	Nil
South Delta	75.87	78.37	Nil
East TX-OK	74.75	77.00	1591
West Texas	74.75	77.50	13199
Desert SW	72.87	79.62	Nil
SJ Valley	73.62	84.27	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 2/12/2013

Contract	Open	High	Low	Close	Change
Dec-13	77.72	78.09	77.01	77.27	-0.87
Mar-14	78.92	79.53	78.35	78.62	-0.73
May-14	79.11	79.93	78.85	79.09	-0.76
Jul-14	78.62	80.39	78.62	79.56	-0.74
Oct-14	77.19	77.19	77.19	77.19	-0.7
Dec-14	76.70	76.88	76.20	76.31	-0.65

Pakistan Cotton Spot rates: As on 2/12/2013 (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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