

Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed firm tone on Wednesday.
- Prices ruled higher on demand from small and large scale mills.
- Millers and Exporter bought 18000 bales in Gujarat, making prices to rule higher
- Millers are buying for the future consumption too, as they are seeking recovery in prices from next month onwards.
- 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 range bound to firm in coming days.

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

Contract	+/-	Open	High	Low	Close
Feb-14	22.00	852.00	872.50	852.00	872.50
Mar-14	25.50	889.00	889.50	889.00	889.50
Apr-14	24.00	912.00	937.00	912.00	935.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	6	2	13	-1
Mar-14	3	3	6	0
Apr-14	13,106	9,389	9889	-1075

Spread

	Feb-14	Mar-14	Apr-14
Spot	94.5		
Feb-14		17	
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	23.60	871.20	894.00	871.20	894.00
Apr-14	23.50	918.00	941.00	918.00	939.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	51	37	209	-1
Apr-14	118	48	279	-20

Spread

	Mar-14	Apr-14
Spot	73	
Mar-14		45

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	1.46	18550	18850	18540	18770
31-Jan-14	1.17	18850	19100	18840	19020
27-Feb-14	1.05	19160	19340	19120	19280
31-Mar-14	0.72	19480	19600	19430	19570

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		4-Dec-13	3-Dec-13	
Kapas		Rs/Qtl		
Amravati	Mech-1	4200	4250	-50
Khandwa	Mech-1	4700	4700	Unch
Khargaon	Mech-1	4700	4700	Unch
Kapas		Rs/Qtl		
Mahesana(Kadi)	B.T. Cotton	4900	4900	Unch
Rajkot	B.T. Cotton	4825	4835	-10
Patan	B.T. Cotton	4820	4765	55
Muktsar	B.T. Cotton	5100	5150	-50
Fazilika	B.T. Cotton	4975	4950	25
Bhiwani	B.T. Cotton	5050	5000	50
Kapas		Rs/Qtl		
Ahmedabad	Shankar-6	4800	4775	25
Gondal	Shankar-6	4740	4500	240
Lint		Rs/Maund of 37.32kg each		
Abohar	J-34	4160	4125	35
Muktsar	J-34	4135	4110	25
Fazilika	J-34	4015	4030	-15
Bhatinda	J-34	4550	4120	430
Mansa	J-34	4140	4120	20
Sirsa	J-34	4050	4025	25
Sri-Ganganagar	J-34	3807	3784	23

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		4-Dec-13	3-Dec-13	
Amravati	Mech-1	8000	7000	1000
Khandwa	Mech-1	2000	2500	-500
Khargaon	Mech-1	10000	8000	2000
Mahesana(Kadi)	B.T. Cotton	45000	30000	15000
Rajkot	B.T. Cotton	8000	7800	200
Patan	B.T. Cotton	13265	13650	-385
Muktsar	B.T. Cotton	425	425	Unch
Fazilika	B.T. Cotton	800	1000	-200
Bhiwani	B.T. Cotton	800	200	600
Ahmedabad	Shankar-6	76500	76500	Unch
Gondal	Shankar-6	1679	2389	-710
Abohar	J-34	850	1020	-170
Bhatinda	J-34	25500	22950	2550
Mansa	J-34	850	1105	-255
Sirsa	J-34	2550	2040	510
Sri-Ganganagar	J-34	2550	2550	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				3-Dec-13	2-Dec-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39400	39600	-200
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	38100	38600	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	38200	39300	-1100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39000	39900	-900
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39900	40400	-500
DCH-32(107)	34mm	3.0 - 3.8	33	58500	56500	2000



China Cotton Index: As on 02/12/2013

Cotlook Index: As on 3/12/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.15	-0.75

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 3/12/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	76.86	80.61	1611
North Delta	75.86	78.36	Nil
South Delta	75.86	78.36	619
East TX-OK	74.75	77.00	4514
West Texas	74.75	77.50	14766
Desert SW	72.86	79.61	Nil
SJ Valley	73.61	84.26	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 3/12/2013

Contract	Open	High	Low	Close	Change
Dec-13	77.41	77.41	77.41	77.41	+0.14
Mar-14	78.65	78.89	78.39	78.61	-0.01
May-14	79.20	79.25	78.86	79.14	+0.05
Jul-14	79.63	79.70	79.35	79.63	+0.07
Oct-14	77.40	77.40	77.40	77.40	+0.21
Dec-14	76.40	76.68	76.23	76.66	+0.35

Pakistan Cotton Spot rates: As on 3/12/2013 (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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