

Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed firm tone on Monday.
- Prices ruled higher amid demands from millers, traders are not buying much.
- Arrivals are about to pick higher pace during this month, by virtue of which prices are likely to fall.
- According to CAB estimates, north India cotton output could fall by 15% as acreage and yield has declined this year.
- Textile minister said that he will make efforts for the restoration of incentives under cotton yarn export.
- 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.
- Cotton export from India during November was 1.1 million bales, 43% higher than the export previous year during the same period, according to the USDA report. Total export during this season (Oct'13-Sep'14) is expected to rise to the level of 10.2 million bales.

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.
- World cotton imports are likely to be at level of 8.44 million tons this season, whereas it was 9.71 million tons last season.
- Imports of China are likely to decline by 40% to 3.1 million tons this year.
- Turkey raw cotton imports stood 86210 tonnes during October this season versus 46876 tones last year during the same period.
- China stockpiles will reach around 11 million tons by the end of crop year 2013-14.
- 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 weak in coming days.

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

Contract	+/-	Open	High	Low	Close
Feb-14	7.50	868.50	868.50	868.50	868.50
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	3.00	935.00	942.50	932.50	936.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	-1	12	-1
Mar-14	0	0	6	0
Apr-14	5,262	-667	11153	521

Spread

	Feb-14	Mar-14	Apr-14
Spot	111.5		
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	2.70	896.00	902.40	896.00	896.40
Apr-14	4.10	941.20	947.90	938.00	942.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	21	14	209	-2
Apr-14	200	70	327	42

Spread

	Mar-14	Apr-14
Spot	83.6	
Mar-14		45.6

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

Contract	% Change	Open	High	Low	Close
31-Dec-13	0.21	18780	18930	18660	18820
31-Jan-14	0.31	19040	19220	18960	19130
27-Feb-14	0.1	19370	19470	19260	19370
31-Mar-14	0.36	19740	19740	19660	19710
30-May-14	--	--	--	--	--

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		9-Dec-13	8-Dec-13	
Kapas		(Rs/Qtl)		
Amravati	Mech-1	4500	4400	100
Khandwa	Mech-1	-	4750	-
Khargaon	Mech-1	-	4750	-
Kapas		(Rs/Qtl)		
Mahesana(Kadi)	B.T. Cotton	4900	4925	-25
Rajkot	B.T. Cotton	4900	4850	50
Patan	B.T. Cotton	4910	4810	100
Muktsar	B.T. Cotton	5200	5100	100
Fazilika	B.T. Cotton	5150	5100	50
Bhiwani	B.T. Cotton	5150	5100	50
Kapas		(Rs/Qtl)		
Ahmedabad	Shankar-6	4875	4825	50
Gondal	Shankar-6	4540	4790	-250
Lint		Rs./Maund (of 37.32kg each)		
Abohar	J-34	4185	4180	5
Muktsar	J-34	4190	4185	5
Fazilika	J-34	5150	4140	1010
Bhatinda	J-34	4195	4200	-5
Mansa	J-34	4185	4175	10
Sirsa	J-34	4115	4085	30
Sri-Ganganagar	J-34	3854	3854	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		9-Dec-13	8-Dec-13	
Amravati	Mech-1	11000	8500	2500
Khandwa	Mech-1	-	2000	-
Khargaon	Mech-1	-	8000	-
Mahesana(Kadi)	B.T. Cotton	45000	60000	-15000
Rajkot	B.T. Cotton	6200	6600	-400
Patan	B.T. Cotton	12214	10870	1344
Muktsar	B.T. Cotton	250	340	-90
Fazilika	B.T. Cotton	1200	800	400
Bhiwani	B.T. Cotton	1000	600	400
Ahmedabad	Shankar-6	93500	68000	25500
Gondal	Shankar-6	2570	2476	94
Abohar	J-34	1700	850	850
Bhatinda	J-34	25500	25500	Unch
Mansa	J-34	1020	680	340
Sirsa	J-34	2550	2550	Unch
Sri-Ganganagar	J-34	4250	4250	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				7-Dec-13	6-Dec-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39900	39500	400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40500	400
J-34(202)	26mm	3.5 - 4.9	23	37600	37600	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38300	38300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	39000	39000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39600	39600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40200	40200	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	59500	59500	Unch



China Cotton Index: As on 09/12/2013

Cotlook Index: As on 6/12/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.30	-0.25

Index	RMB/Ton	Change
CCIndex(328)	19517	-10
CCIndex(527)	NQ	-
CCIndex(229)	20315	-14

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

USDA Cotton Spot Rates: As on 6/12/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.66	82.91	740
North Delta	78.66	81.16	Nil
South Delta	78.66	81.16	97
East TX-OK	76.50	78.75	5182
West Texas	76.25	79.00	28558
Desert SW	74.91	81.66	Nil
SJ Valley	75.66	86.31	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 6/12/2013

Contract	Open	High	Low	Close	Change
Dec-13	79.38	79.38	79.38	79.38	+1.56
Mar-14	78.85	80.52	78.84	80.41	+1.56
May-14	79.39	80.73	79.28	80.66	+1.42
Jul-14	79.75	80.67	79.69	80.53	+0.95
Oct-14	77.84	77.84	77.84	77.84	+0.73
Dec-14	76.50	76.78	76.50	76.64	+0.51

Pakistan Cotton Spot rates: As on 6/12/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6450	155	6605
Equivalent	40 Kgs	6912	155	7067

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