

### Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed weak tone on Tuesday.
- Prices ruled lower amid lack of demand, though small millers bought little.
- 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:

- World trade Organization (WTO) announces that it would discuss, twice in a year, the issues related to cotton trade and developments.
- 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 tones 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	-1.00	864.00	872.00	860.00	860.00
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	-7.00	937.00	938.50	926.50	929.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	4	3	12	0
Mar-14	0	0	6	0
Apr-14	3,494	-1,768	10960	-193

#### Spread

	Feb-14	Mar-14	Apr-14
Spot	125		
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	-5.70	896.70	897.00	889.00	892.90
Apr-14	-8.00	940.80	942.60	933.20	934.10

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	13	-8	212	3
Apr-14	54	-146	322	-5

#### Spread

	Mar-14	Apr-14
Spot	92.1	
Mar-14		41.2

**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	-0.74	18870	18870	18670	18690
31-Jan-14	-0.78	19150	19150	18970	18970
27-Feb-14	-0.67	19310	19370	19240	19240
31-Mar-14	-0.71	19640	19660	19570	19570
30-May-14	--	--	--	--	--

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		10-Dec-13	9-Dec-13	
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Amravati	Mech-1	4450	4500	<b>-50</b>
Khandwa	Mech-1	NR	NR	<b>-</b>
Khargaon	Mech-1	NR	NR	<b>-</b>
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Mahesana(Kadi)	B.T. Cotton	4900	4900	<b>Unch</b>
Rajkot	B.T. Cotton	4925	4900	<b>25</b>
Patan	B.T. Cotton	4815	4910	<b>-95</b>
Muktsar	B.T. Cotton	5100	5200	<b>-100</b>
Fazilika	B.T. Cotton	5154	5150	<b>4</b>
Bhiwani	B.T. Cotton	5100	5150	<b>-50</b>
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Ahmedabad	Shankar-6	4850	4875	<b>-25</b>
Gondal	Shankar-6	4540	4540	<b>Unch</b>
<b>Lint</b>		<b>Rs./Maund (of 37.32kg each)</b>		
Abohar	J-34	4180	4185	<b>-5</b>
Muktsar	J-34	4180	4190	<b>-10</b>
Fazilika	J-34	5154	5150	<b>4</b>
Bhatinda	J-34	4180	4195	<b>-15</b>
Mansa	J-34	4170	4185	<b>-15</b>
Sirsa	J-34	4090	4115	<b>-25</b>
Sri-Ganganagar	J-34	3854	3854	<b>Unch</b>

### Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		10-Dec-13	9-Dec-13	
Amravati	Mech-1	12000	11000	1000
Khandwa	Mech-1	NR	-	-
Khargaon	Mech-1	NR	-	-
Mahesana(Kadi)	B.T. Cotton	40000	45000	-5000
Rajkot	B.T. Cotton	5600	6200	-600
Patan	B.T. Cotton	11677	12214	-537
Muktsar	B.T. Cotton	510	425	85
Fazilika	B.T. Cotton	1500	1200	300
Bhiwani	B.T. Cotton	700	1000	-300
Ahmedabad	Shankar-6	85000	93500	-8500
Gondal	Shankar-6	1655	2570	-915
Abohar	J-34	1190	1700	-510
Bhatinda	J-34	25500	25500	Unch
Mansa	J-34	1020	1020	Unch
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
				8-Dec-13	7-Dec-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39900	39900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40900	Unch
J-34(202)	26mm	3.5 - 4.9	23	37700	37600	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38300	38300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38900	39000	-100
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	61500	59500	2000



### China Cotton Index: As on 10/12/2013

### Cotlook Index: As on 9/12/2013

Cotlook Indices	Cents/Pound	Change
A-Index	86.80	+1.50

Index	RMB/Ton	Change
CCIndex(328)	19510	-7
CCIndex(527)	NQ	-
CCIndex(229)	20310	-5

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

### USDA Cotton Spot Rates: As on 9/12/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.61	82.86	529
North Delta	78.61	81.11	Nil
South Delta	78.61	81.11	Nil
East TX-OK	76.50	78.75	1707
West Texas	76.25	79.00	18570
Desert SW	74.86	81.61	361
SJ Valley	75.61	86.26	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 9/12/2013

Contract	Open	High	Low	Close	Change
Dec-13	80.32	80.75	80.05	80.36	-0.05
Mar-14	80.61	81.00	80.32	80.69	+0.03
May-14	80.64	80.82	80.22	80.41	-0.12
Jul-14	77.75	77.75	77.75	77.75	-0.09
Oct-14	76.66	76.90	76.52	76.58	-0.06
Dec-14	76.78	76.78	76.78	76.78	-0.06

### Pakistan Cotton Spot rates: As on 9/12/2013 (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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