

Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed weak tone on Wednesday.
- 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.
- USDA raises Indian cotton export and opening stock while cuts the import estimation. In 2013-14, cotton export may surge to 7.5 million bales from 7 million bales and opening stocks would reach to 11.07 million bales from 10.07 million bales estimated in November. Imports would decline to 1.1 million bales from 1.5 million bales while, output remain unchanged at 29 million bales.
- Cyclone Madi weakens into deep depression and rains are likely at isolated places over some places in Andhra Pradesh and Tamil Nadu.
- 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:

- USDA raised its world cotton ending stock for 2013-14 to record 96.41 million bales from 95.71 million bales estimated in November. The rise in ending stock is due to surge in estimated opening stock to 89.14 million bales from 88.06 million bales. However, agency slightly lowered the output projection to 11683 million bales from 117.22 million bales projected in last month due to decline in China and U.S. crop size. The opening stock for India rose with unchanged production figure.
- 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	-11.00	855.00	856.00	854.00	856.00
Mar-14					
Apr-14	-11.00	929.00	930.00	916.50	917.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	3	-1	12	0
Mar-14			6	0
Apr-14	5,135	1,641	11279	319

Spread

	Feb-14	Mar-14	Apr-14
Spot	131		
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	-18.30	890.00	890.00	875.10	875.10
Apr-14	-10.60	934.00	934.00	923.00	923.90

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	25	12	218	6
Apr-14	98	44	319	-3

Spread

	Mar-14	Apr-14
Spot	111.9	
Mar-14		48.8

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

MCX Cotton Futures (29 mm Variety):

Contract	% Change	Open	High	Low	Close
31-Dec-13	-0.86	18680	18700	18500	18540
31-Jan-14	-0.84	18990	18990	18780	18830
27-Feb-14	-0.99	19220	19250	19060	19070
31-Mar-14	-0.97	19500	19510	19360	19390
30-May-14	--	--	--	--	--

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		11-Dec-13	10-Dec-13	
Kapas		(Rs/Qtl)		
Amravati	Mech-1	4450	4450	Unch
Khandwa	Mech-1	-	-	-
Khargaan	Mech-1	-	-	-
Kapas		(Rs/Qtl)		
Mahesana(Kadi)	B.T. Cotton	4850	4900	-50
Rajkot	B.T. Cotton	4935	4925	10
Patan	B.T. Cotton	4855	4815	40
Muktsar	B.T. Cotton	5100	5100	Unch
Fazilika	B.T. Cotton	5050	5154	-104
Bhiwani	B.T. Cotton	5050	5100	-50
Kapas		(Rs/Qtl)		
Ahmedabad	Shankar-6	4800	4850	-50
Gondal	Shankar-6	4820	4540	280
Lint		Rs./Maund (of 37.32kg each)		
Abohar	J-34	4135	4180	-45
Muktsar	J-34	4130	4180	-50
Fazilika	J-34	4180	4195	-15
Bhatinda	J-34	4140	4180	-40
Mansa	J-34	4130	4170	-40
Sirsa	J-34	4020	4090	-70
Sri-Ganganagar	J-34	3807	3854	-47

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		11-Dec-13	10-Dec-13	
Amravati	Mech-1	12000	12000	Unch
Khandwa	Mech-1	-	-	-
Khargaon	Mech-1	-	-	-
Mahesana(Kadi)	B.T. Cotton	55000	40000	15000
Rajkot	B.T. Cotton	5400	5600	-200
Patan	B.T. Cotton	11544	11677	-133
Muktsar	B.T. Cotton	510	510	Unch
Fazilika	B.T. Cotton	1200	1500	-300
Bhiwani	B.T. Cotton	500	700	-200
Ahmedabad	Shankar-6	85000	85000	Unch
Gondal	Shankar-6	1056	1655	-599
Abohar	J-34	1700	1190	510
Bhatinda	J-34	34000	25500	8500
Mansa	J-34	-	1020	-
Sirsa	J-34	3400	2550	850
Sri-Ganganagar	J-34	5100	4250	850

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				9-Dec-13	8-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	37500	37700	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38100	38300	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	38800	38900	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39400	39600	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40700	40200	500
DCH-32(107)	34mm	3.0 - 3.8	33	63000	61500	1500

Cotlook Index: As on 10/12/2013

Cotlook Indices	Cents/Pound	Change
A-Index	86.65	-0.15

China Cotton Index: As on 11/12/2013

Index	RMB/Ton	Change
CCIndex(328)	19504	-6
CCIndex(527)	NQ	-
CCIndex(229)	20306	-4

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



USDA Cotton Spot Rates: As on 10/12/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.94	83.19	1493
North Delta	78.94	81.44	747
South Delta	78.94	81.44	Nil
East TX-OK	76.75	79.00	2186
West Texas	76.50	79.00	19389
Desert SW	75.44	82.44	500
SJ Valley	76.19	86.84	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 10/12/2013

Contract	Open	High	Low	Close	Change
Dec-13	80.46	80.79	79.76	80.69	+0.33
Mar-14	80.72	81.05	80.09	80.97	+0.28
May-14	80.50	80.72	80.05	80.64	+0.23
Jul-14	77.95	77.95	77.95	77.95	+0.20
Oct-14	76.26	76.80	76.25	76.75	+0.17
Dec-14	76.95	76.95	76.95	76.95	+0.17

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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