

### Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed mixed tone on Thursday.
- Prices ruled lower amid lackluster demand and higher availability.
- 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 oversome 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.
- 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:

- China export of textile and apparel rose 17% in November on Year on Year basis.
- 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	4.00	859.00	859.00	859.00	859.00
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	3.00	918.50	928.00	918.50	921.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	1	-2	11	-1
Mar-14	0	0	6	0
Apr-14	4,372	-763	10858	-421

#### Spread

	Feb-14	Mar-14	Apr-14
Spot	128		
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	0.50	883.6	886.5	879.1	880
Apr-14	3.40	930	934	927.5	928.1

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	29	4	219	1
Apr-14	103	5	339	20

#### Spread

	Mar-14	Apr-14
Spot	107	
Mar-14		48.1

**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	1.4	18590	18880	18590	18780
31-Jan-14	1.33	18880	19170	18880	19070
27-Feb-14	1.36	19290	19450	19240	19340
31-Mar-14	1.34	19610	19710	19610	19650
30-May-14	--	--	--	--	--

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		12-Dec-13	11-Dec-13	
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Amravati	Mech-1	4400	4450	-50
Khandwa	Mech-1	NR	NR	-
Khargaon	Mech-1	NR	NR	-
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Mahesana(Kadi)	B.T. Cotton	4900	4850	50
Rajkot	B.T. Cotton	4830	4935	-105
Patan	B.T. Cotton	4825	4855	-30
Muktsar	B.T. Cotton	5100	5100	Unch
Fazilika	B.T. Cotton	5030	5050	-20
Bhiwani	B.T. Cotton	5050	5050	Unch
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Ahmedabad	Shankar-6	4825	4800	25
Gondal	Shankar-6	4820	4820	Unch
<b>Lint</b>		<b>Rs./Maund (of 37.32kg each)</b>		
Abohar	J-34	4120	4135	-15
Muktsar	J-34	4125	4130	-5
Fazilika	J-34	5030	5050	-20
Bhatinda	J-34	4115	4140	-25
Mansa	J-34	4100	4130	-30
Sirsa	J-34	4030	4020	10
Sri-Ganganagar	J-34	3807	3807	Unch

### Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		12-Dec-13	11-Dec-13	
Amravati	Mech-1	12000	12000	Unch
Khandwa	Mech-1	NR	-	-
Khargaon	Mech-1	NR	-	-
Mahesana(Kadi)	B.T. Cotton	45000	55000	-10000
Rajkot	B.T. Cotton	5100	5400	-300
Patan	B.T. Cotton	10157	11544	-1387
Muktsar	B.T. Cotton	510	510	Unch
Fazilika	B.T. Cotton	1000	1200	-200
Bhiwani	B.T. Cotton	500	500	Unch
Ahmedabad	Shankar-6	102000	85000	17000
Gondal	Shankar-6	1437	1056	381
Abohar	J-34	1700	1700	Unch
Bhatinda	J-34	34000	34000	Unch
Mansa	J-34	1700	No Arrival	-
Sirsa	J-34	3400	3400	Unch
Sri-Ganganagar	J-34	5100	5100	Unch

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				10-Dec-13	9-Dec-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39400	39900	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40900	-500
J-34(202)	26mm	3.5 - 4.9	23	37100	37500	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37900	38100	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	38700	38800	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39200	39400	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41000	40700	300
DCH-32(107)	34mm	3.0 - 3.8	33	64000	63000	1000



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

#### Cotlook Index: As on 11/12/2013

Cotlook Indices	Cents/Pound	Change
A-Index	86.80	+0.15

Index	RMB/Ton	Change
CCIndex(328)	19504	0
CCIndex(527)	NQ	-
CCIndex(229)	20295	-11

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

#### USDA Cotton Spot Rates: As on 11/12/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.74	84.99	985
North Delta	80.74	83.24	Nil
South Delta	80.74	83.24	Nil
East TX-OK	78.50	80.75	1785
West Texas	78.25	81.00	11842
Desert SW	77.24	84.24	257
SJ Valley	77.99	88.64	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 11/12/2013

Contract	Open	High	Low	Close	Change
Dec-13	80.67	82.93	80.58	82.49	+1.80
Mar-14	80.97	82.63	80.95	82.35	+1.38
May-14	80.66	81.79	80.50	81.66	+1.02
Jul-14	78.43	78.43	78.43	78.43	+0.48
Oct-14	76.75	76.89	76.00	76.69	-0.06
Dec-14	77.64	77.64	77.64	77.64	+0.69

#### Pakistan Cotton Spot rates: As on 11/12/2013 (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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