

### Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed firm tone on Friday.
- Prices ruled higher on strong demand from millers and traders.
- Arrivals are likely to pick higher pace during this month, would fetch more demand from traders.
- 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	22.00	875.00	877.00	875.00	877.00
Mar-14	14.50	911.00	911.00	903.50	903.50
Apr-14	31.00	924.50	954.00	924.50	952.50

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	2	1	11	0
Mar-14	2	2	6	0
Apr-14	15,265	10,893	9786	-1072

#### Spread

	Feb-14	Mar-14	Apr-14
Spot	103		
Feb-14		26.5	
Mar-14			49

**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	23.4	886	908	886	905
Apr-14	29.4	932	958.9	932	957.3

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	60	31	220	1
Apr-14	274	171	300	-39

#### Spread

	Mar-14	Apr-14
Spot	75	
Mar-14		52.3

**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	2.18	18930	19350	18890	19210
31-Jan-14	2.15	19190	19640	19170	19510
27-Feb-14	2.01	19480	19920	19480	19760
31-Mar-14	1.98	19800	20170	19800	20050
30-Apr-14	3.99	20110	20310	20110	20310
30-May-14	2.04	20500	20500	20500	20500

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		13-Dec-13	12-Dec-13	
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Amravati	Mech-1	4400	4400	Unch
Khandwa	Mech-1	-	-	-
Khargaon	Mech-1	-	-	-
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Mahesana(Kadi)	B.T. Cotton	4900	4900	Unch
Rajkot	B.T. Cotton	4900	4830	70
Patan	B.T. Cotton	4865	4825	40
Muktsar	B.T. Cotton	5100	5100	Unch
Fazilika	B.T. Cotton	5070	5030	40
Bhiwani	B.T. Cotton	5100	5050	50
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Ahmedabad	Shankar-6	4900	4825	75
Gondal	Shankar-6	4830	4820	10
<b>Lint</b>		<b>Rs./Maund</b> (of 37.32kg each)		
Abohar	J-34	4130	4120	10
Muktsar	J-34	4125	4125	Unch
Fazilika	J-34	5070	5030	40
Bhatinda	J-34	4130	4115	15
Mansa	J-34	4130	4100	30
Sirsa	J-34	4040	4030	10
Sri-Ganganagar	J-34	3817	3807	10

### Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		13-Dec-13	12-Dec-13	
Amravati	Mech-1	13000	12000	1000
Khandwa	Mech-1	-	-	-
Khargaon	Mech-1	-	-	-
Mahesana(Kadi)	B.T. Cotton	50000	45000	5000
Rajkot	B.T. Cotton	5000	5100	-100
Patan	B.T. Cotton	9236	10157	-921
Muktsar	B.T. Cotton	510	510	Unch
Fazilika	B.T. Cotton	1000	1000	Unch
Bhiwani	B.T. Cotton	300	500	-200
Ahmedabad	Shankar-6	102000	102000	Unch
Gondal	Shankar-6	1506	1437	69
Abohar	J-34	1700	1700	Unch
Bhatinda	J-34	34000	34000	Unch
Mansa	J-34	1360	1700	-340
Sirsa	J-34	2550	3400	-850
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
				11-Dec-13	10-Dec-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39000	39400	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40000	40400	-400
J-34(202)	26mm	3.5 - 4.9	23	37400	37100	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38000	37900	100
Shankar-6(105)	29mm	3.5 - 4.9	28	38800	38700	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39300	39200	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41300	41000	300
DCH-32(107)	34mm	3.0 - 3.8	33	64000	64000	Unch



### China Cotton Index: As on 13/12/2013

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

Cotlook Indices	Cents/Pound	Change
A-Index	88.40	+1.60

Index	RMB/Ton	Change
CCIndex(328)	19498	-6
CCIndex(527)	NQ	-
CCIndex(229)	20284	-11

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

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

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.31	85.56	3256
North Delta	81.31	83.81	Nil
South Delta	81.31	83.81	411
East TX-OK	79.00	81.25	4636
West Texas	78.75	81.50	43461
Desert SW	77.81	84.81	Nil
SJ Valley	78.56	89.21	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 12/12/2013

Contract	Open	High	Low	Close	Change
Dec-13	82.25	83.13	81.69	83.06	+0.57
Mar-14	82.13	82.90	81.70	82.80	+0.45
May-14	81.55	82.16	81.15	82.07	+0.41
Jul-14	78.43	78.43	78.43	78.43	Unch
Oct-14	76.67	77.00	76.39	76.97	+0.28
Dec-14	77.73	77.73	77.73	77.73	+0.09

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