

### Cotton Domestic Fundamentals:

- Cotton prices in domestic market noticed mixed tone on Saturday.
- Prices ruled lower on lackluster demand and selling pressure.
- 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 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.
- 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	0.00	0.00	0.00	0.00	0.00
Mar-14	0.00	0.00	0.00	0.00	0.00
Apr-14	-3.50	955.00	956.50	945.50	949.00

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-14	0	-2	11	0
Mar-14	0	-2	6	0
Apr-14	5,885	-9,380	9921	135

#### Spread

	Feb-14	Mar-14	Apr-14
Spot	--		
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	900.2	907.9	899.5	901.9
Apr-14	-1.8	957	961.6	952	955.3

#### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-14	22	-38	217	-3
Apr-14	79	-195	303	3

#### Spread

	Mar-14	Apr-14
Spot	98.1	
Mar-14		53.4

**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	--	--	--	--	--
31-Jan-14	--	--	--	--	--
27-Feb-14	--	--	--	--	--
31-Mar-14	--	--	--	--	--
30-Apr-14	--	--	--	--	--
30-May-14	--	--	--	--	--

### Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		14-Dec-13	13-Dec-13	
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Amravati	Mech-1	4425	4400	25
Khandwa	Mech-1	-	-	-
Khargaon	Mech-1	-	-	-
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Mahesana(Kadi)	B.T. Cotton	5000	4900	100
Rajkot	B.T. Cotton	5000	4900	100
Patan	B.T. Cotton	4930	4865	65
Muktsar	B.T. Cotton	5050	5100	-50
Fazilika	B.T. Cotton	5070	5070	Unch
Bhiwani	B.T. Cotton	5100	5100	Unch
<b>Kapas</b>		<b>(Rs/Qtl)</b>		
Ahmedabad	Shankar-6	4925	4900	25
Gondal	Shankar-6	4535	4830	-295
<b>Lint</b>		<b>Rs./Maund (of 37.32kg each)</b>		
Abohar	J-34	4170	4130	40
Muktsar	J-34	4180	4125	55
Fazilika	J-34	5070	5070	Unch
Bhatinda	J-34	4165	4130	35
Mansa	J-34	4165	4130	35
Sirsa	J-34	4070	4040	30
Sri-Ganganagar	J-34	3854	3817	37

### Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		14-Dec-13	13-Dec-13	
Amravati	Mech-1	13000	13000	Unch
Khandwa	Mech-1	-	-	-
Khargaon	Mech-1	-	-	-
Mahesana(Kadi)	B.T. Cotton	35000	50000	-15000
Rajkot	B.T. Cotton	4600	5000	-400
Patan	B.T. Cotton	9603	9236	367
Muktsar	B.T. Cotton	425	510	-85
Fazilika	B.T. Cotton	1000	1000	Unch
Bhiwani	B.T. Cotton	600	300	300
Ahmedabad	Shankar-6	93500	102000	-8500
Gondal	Shankar-6	1180	1506	-326
Abohar	J-34	1700	1700	Unch
Bhatinda	J-34	34000	34000	Unch
Mansa	J-34	850	1360	-510
Sirsa	J-34	3400	2550	850
Sri-Ganganagar	J-34	6800	5100	1700

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				13-Dec-13	12-Dec-13	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39000	39000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40000	40000	Unch
J-34(202)	26mm	3.5 - 4.9	23	37600	37400	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38200	38000	200
Shankar-6(105)	29mm	3.5 - 4.9	28	39100	38800	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39500	39300	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41600	41300	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 13/12/2013

Cotlook Indices	Cents/Pound	Change
A-Index	88.8	0.4

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 13/12/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.47	85.47	748
North Delta	81.22	83.72	Nil
South Delta	81.22	83.72	338
East TX-OK	79.00	81.25	3283
West Texas	78.75	81.75	20993
Desert SW	77.97	84.97	Nil
SJ Valley	78.72	89.37	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 13/12/2013

Contract	Open	High	Low	Close	Change
Dec-13	83.04	83.42	82.47	83.22	+0.16
Mar-14	82.72	82.98	82.20	82.90	+0.10
May-14	82.05	82.34	81.57	82.27	+0.20
Jul-14	78.43	78.43	78.43	78.43	Unch
Oct-14	77.00	77.00	76.29	76.77	-0.20
Dec-14	77.49	77.49	77.49	77.49	-0.24

#### Pakistan Cotton Spot rates: As on 13/12/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6500	155	6655
Equivalent	40 Kgs	6966	155	7121

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