

Monthly Research Report

Domestic Fundamentals

Cotton prices increased on growing export registration and raising demand from millers and exporters. Ginners are not releasing stock in market; they are speculating prices rise due to shortage.

Import of long length cotton is firm even when the cost has increased due to rupee depreciation. This is because the cost that long staple imported cotton is lower when procured from Gujarat and Maharashtra. Landed cost of long staple cotton is Rs.66, 275 per candy. Cotton Plantation has reached 28.13 lakh hectares for 2013-14 amid good rainfall received in growing areas of cotton. This is above than the normal cropping area of 24.59 lakh hectares. Plantations have started within next week, as monsoon has started. Cotton Association of India (CAI), has pegged cotton production at 352 lakh bales as on May 31,2013

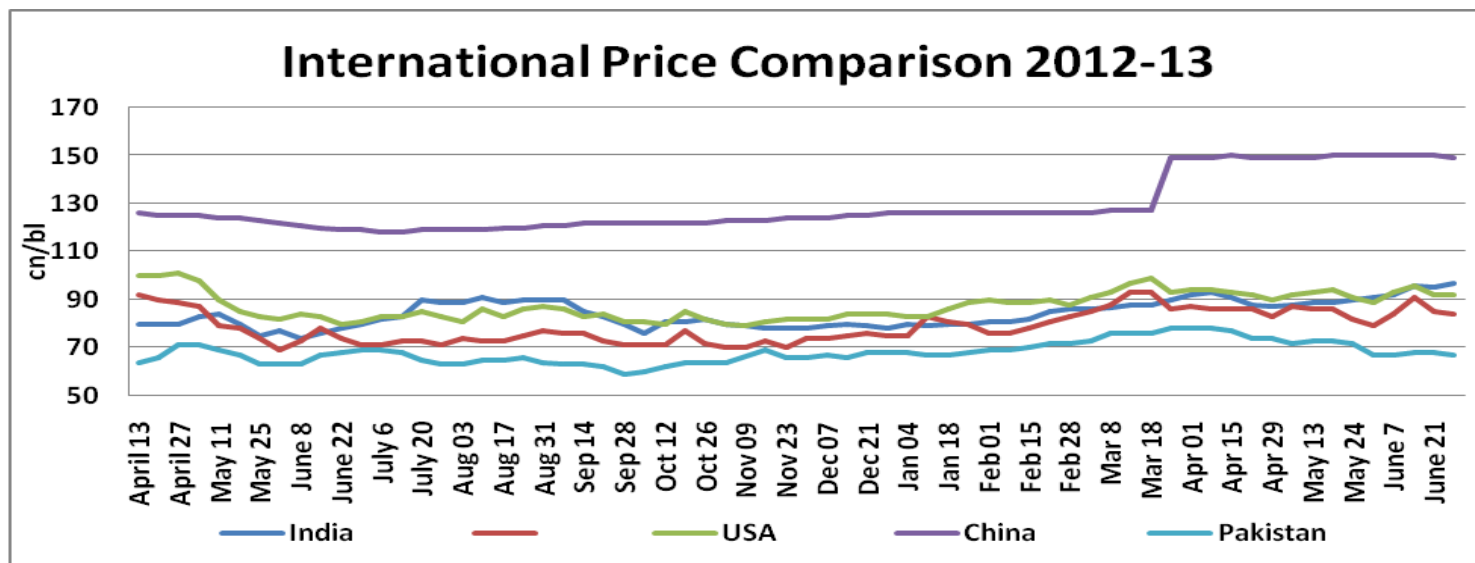
International Fundamentals

Pakistan textile exports grew on good demand from US and European markets. The demand is likely to upset as economy is likely to dip.

As on 16 June, 2013 Cotton plantation has been completed in 98% of the total area in USA and germination stage is said to be fair to good.

China cotton imports dip to 31% compared to the same time last year in May 2013. Cotton global stocks will be lowest level in 3 years. The global supplies of cotton have been getting tighter outside China. China imported 345,800 tons of cotton in May 2013, showing a 31.1 percent decline compared to the same month previous year according to the Customs Statistics. Cotton futures at NYMEX closed lower amid decline in US exports and weak Chinese manufacturing data.

Indian Cotton Prices Compared to International Prices (2012-13)



Source: Agriwatch Research

Domestic Cotton Prices

Cotton Prices at Key Spot Markets:

Centre	Variety	Prices (Rs/Qtl)		%Change
		27.06.13	31.05.13	
Amravati	Mech-1	5125	4650	10.22
Khandwa	Mech-1	No Arrival	No Arrival	--
Khargaan	Mech-1	No Arrival	No Arrival	--
Mahesana(Kadi)	B.T. Cotton	No Arrival	4750	--
Muktsar	B.T. Cotton	No Arrival	4800	--
Patan	B.T. Cotton	No Arrival	4575	--
Rajkot	B.T. Cotton	5615	4990	12.53
Fazilika*	B.T. Cotton	4470	4100	9.02
Fazilika	B.T. Cotton	No Arrival	4600	--
Bhiwani*	B.T. Cotton	4300	4040	6.44
Bhiwani	B.T. Cotton	5350	4800	11.46
Ahmedabad	Shankar-6	5550	4950	12.12
Gondal	Shankar-6	5625	4960	13.41
Sri-Ganganagar	J-34	4370	4050	7.90
Abohar	J-34	4480	4170	7.43
Muktsar	J-34	4500	4200	7.14

* New Crop

Cotton Cumulative Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		27.06.13	31.05.13	
Amravati	Mech-1	25950	55300	-53.07
Khandwa	Mech-1	No Arrival	No Arrival	--
Khargaon	Mech-1	No Arrival	No Arrival	--
Mahesana(Kadi)	B.T. Cotton	No Arrival	1260	--
Muktsar	B.T. Cotton	33435	No Arrival	--
Patan	B.T. Cotton	No Arrival	15536	--
Rajkot	B.T. Cotton	17470	31655	-44.81
Fazilika	B.T. Cotton	No Arrival	950	--
Fazilika*	B.T. Cotton	No Arrival	No Arrival	--
Bhiwani*	B.T. Cotton	No Arrival	3350	--
Ahmedabad	Shankar-6	147000	182000	-19.23
Gondal	Shankar-6	6330	13429	-52.86
Sri-Ganganagar	J-34	No Arrival	5139	--
Abohar	J-34	420	2130	-80.28
Muktsar	J-34	1000	No Arrival	--

* New Crop

Cotton Association of India Spot Rates:

Variety Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (26/06/2013)	Rs. Per Candy (30/05/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39000	35000	11.43
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39900	35900	11.14
J-34(202)	26mm	3.5 - 4.9	23	40500	37100	9.16
H-4/ MECH- 1(105)	28mm	3.5 - 4.9	27	40600	37800	7.41
Shankar-6(105)	29mm	3.5 - 4.9	28	41100	38500	6.75
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41800	39700	5.29
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42600	40700	4.67
DCH-32(107)	34mm	3.0 - 3.8	33	51000	48500	5.15

Cotton Exports

Cotton Exports(In Lakh Bales)		
	2011-12	2012-13
Oct	16.41	2.29
Nov	18.37	7.68
Dec	12.92	15.83
Jan	19.71	19.71
Feb	23.30	20.67
Mar	3.57	13.07
Apr	13.26	2.50
May	7.90	2.58
Jun	4.99	-
Jul	5.14	-
Aug	0.48	-
Sep	0.61	-
Total	126.65	84.33

Cotton Imports

Cotton Imports(In Lakh Bales)		
	2011-12	2012-13
Oct	0.05	3.30
Nov	0.14	1.98
Dec	0.06	0.88
Jan	0.26	0.63
Feb	0.80	0.56
Mar	1.20	0.55
Apr	0.93	0.76
May	0.79	0.80
Jun	0.34	-
Jul	0.28	-
Aug	0.63	-
Sep	1.98	-
Total	7.45	9.45

Export Break-Up by Major Countries in Month of May-2013

Mar-13

Country	Quantity (In Lakh Bales)
China	0.90
B'Desh	0.54
Pakistan	0.29
Vietnam	0.30
Indonesia	0.12

Import Break-Up by Major Countries in Month of May-2013

Mar-13

Country	Quantity (In Lakh Bales)
USA	0.21
Egypt	0.13

State Wise Comparisons

All prices in Rs/Qtl

State	Prices June, 2013	Prices May, 2013	Prices June, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4345.86	3995.45	3754.87	8.77	15.74
Gujarat	4882.93	4481.7	3726.21	8.95	31.04
Haryana	4879.37	4654.47	3935	4.83	24
Karnataka	4685.9	4357.92	3870.87	7.53	21.06
Madhya Pradesh	4064.77	4286.01	3673.56	-5.16	10.65
Maharashtra	4486.17	4236.72	3508.4	5.89	27.87
Orissa	-	4190.29	-	-	-
Punjab	2936.67	2882.33	2948.94	1.89	-0.42
Rajasthan	-	2471.18	-	-	-
Tamil Nadu	4740.64	4438.21	3882.7	6.81	22.1
West Bengal	4727.39	4638.68	3624.42	1.91	30.43
Average	4416.63	4057.54	3658.33	-	-

Source: Agmarket

Cotton Arrivals
As on 9 June 2013

States	2012-13		2011-12	
	Production as per CAB	Arrivals	Production as per CAB	Arrivals As on
		As on		
		As on		
	17-04-2013	9/6/2013	23-01-2013	9/6/2012
1. Punjab	20	16.88	18.5	18.23
2. Haryana	24	23.29	26	20.7
3. Rajasthan	16	15.94	17.5	16.89
A. North Total (1+2+3)	60	56.11	62	55.82
4. Gujarat	87	80.21	120	101.65
5. Maharashtra	74	73.74	74	70.85
6. Madhya Pradesh	18	17.96	18	17.55
B. Central Total (4+5+6)	179	171.91	212	190.05
7. Andhra Pradesh	76	69.92	56	55.88
8. Karnataka	13	12.85	14	13.2
9. Tamil Nadu	6	3	6.5	6.92
C. South Total (7+8+9)	95	85.77	76.5	76
10. Orissa	4	2.83	2.5	2
11. Others	2	2	2	1.97
D. Total (10+11)	6	4.83	4.5	3.97
Grand Total (A+B+C+D)	340	318.62	355	325.84
* Inclusive of new crop arrivals in September 2012				

Lint Prices (Rs/Candy)

Month	J-34		H-4		S-6	
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
October	34795	29662	-	32795	39231	33517
November	30926	31581	34457	32845	37586	33592
December	30855	32453	33400	33044	34738	33799
January	33649	32681	35297	32923	36654	33759
February	32866	35166	34251	34333	35618	35052
March	30883	37950	32506	37665	33930	38320
April	30381	37401	33069	38128	34233	38729
May	31652	36100	32998	36500	33909	37500
June	30904	34100	31317	37900	32375	38500
July	34265	-	36554	-	36269	-
August	35646	-	38085	-	38064	-
September	33275	-	35878	-	35717	-

Source: Textile Commissioner

Cotton Futures

Technical Analysis of Cotton Futures April 2014 contract at NCDEX



Rs/20 kgs

- Prices are showing upward movement and touched strong support of Rs. 1095
- Immediate support could be seen at 1040 touching such level price could slide up to 1030
- Our short term outlook on the contract is sideways to bearish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
1010	1015	1040	1050

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	1020-1095	Sideways to Bearish Momentum

Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	27/6/2013	27/5/2013	27/6/2012	% Month change	%Y-o-Y change
Jul-13	36888.42	35923.01	29980.66	2.69	23.04
Oct-13	37598.15	36720.91	29892.49	2.39	25.78
Dec-13	36897.24	36928.09	29958.62	-0.08	23.16
Mar-14	36191.91	36844.34	30514.06	-1.77	18.61
May-14	35914.19	36980.99	30976.93	-2.88	15.94
July-14	35764.31	37108.83	31378.08	-3.62	13.98

*PRICE UNIT-Rs/Candy (1Candy=356kg)

ICE Cotton Futures (December 2013 Contract) Technical Analysis



March 2013 Contract of ICE futures closed on up side. Prices ranged 92.58 to 82.00 during the week. Immediate support level is at 81 breaching this may touch 78 levels during upcoming week.

Support 2	Support 1	Resistance 1	Resistance 2
78	80	95	97

All in cents/pound

Source: MRCI

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