

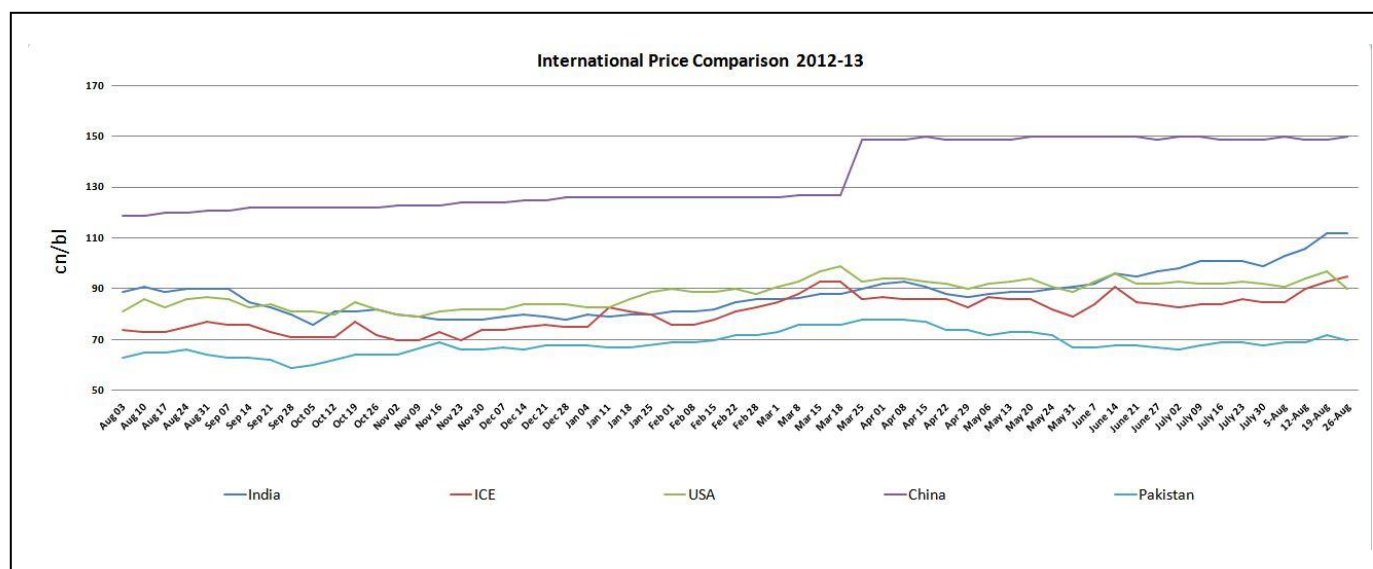
### Domestic Fundamentals

- India's cotton production in 2013-14 is expected to reach 35.8 million bales, 5.7% above from previous season.
- Cotton Area sown till date is approximately 111.65 lakh hectares compared to previous year's 112.83 lakh hectares.
- Harvesting of cotton crop this season is expected to be delayed by 15 days amid heavy rainfall in major cotton growing nations.
- Due to last year's drought in the state, the acreage of cotton in Maharashtra has been declined by 6.3% from previous year.
- Exports of cotton has decreased by 31% to 9.8 million bales whereas imports increased to 1.47 million bales in marketing year 2012-13 as compared to previous season.
- Though the government of India has relaxed the quantitative restriction on export of cotton, Cotton Corporation of India (CCI) does not see much scope for the same.

### International Fundamentals

- USDA lowers the forecast for 2013/14 world cotton production to 116.4 million bales, which is 1.6 million bales below the previous month's projection.
- China government is planning to buy cotton, which can curb the drop in prices.
- In U.S, cotton output is expected to be lower compared to last year due to drop in acreage and unfavorable weather conditions in major growing areas.
- Cotton prices in Pakistan are expected to remain higher as there is crop loss and damage due to heavy rain.
- Global cotton stockpiles in 2013-14 will be 7% higher than this year, as reported by International cotton advisory committee.

## 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
		31.08.13	31.07.13	
Amravati	Mech-1	6200	5600	10.71
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	No Arrival	No Arrival	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	5865	5360	9.42
Fazilika*	B.T. Cotton	4950	4510	9.76
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	4900	4400	11.36
Bhiwani	B.T. Cotton	5900	5300	11.32
Sirsa	B.T. Cotton	5050	-	-
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5815	5310	9.51
Sri-Ganganagar	J-34	5000	4420	13.12
Abohar	J-34	5025	4520	11.17
Muktsar	J-34	5035	4515	11.52

**Cotton Cumulative Arrivals in Key Centers**

Centre	Variety	Arrivals		%Change
		31.08.13	31.07.13	
Amravati	Mech-1	12100	18850	<b>-35.81</b>
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	No Arrival	No Arrival	-
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	6871	13185	<b>-47.89</b>
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	No Arrival	No Arrival	-
Sirsa	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	No Arrival	6500	-
Gondal	Shankar-6	413	5247	<b>-92.13</b>
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	No Arrival	No Arrival	-
Muktsar	J-34	No Arrival	No Arrival	-

**Cotton Association of India Spot Rates:**

Variety Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				(30/08/2013)	(30/07/2013)	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40400	38700	<b>4.39</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	39700	<b>3.02</b>
J-34(202)	26mm	3.5 - 4.9	23	45200	40700	<b>11.06</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	49200	41900	<b>17.42</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	49000	42100	<b>16.39</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	50000	43200	<b>15.74</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50800	44200	<b>14.93</b>
DCH-32(107)	34mm	3.0 - 3.8	33	56500	52000	<b>8.65</b>

**Cotton Exports**

Cotton Exports(In Lakh Bales)		
	2011-12	2012-13
<b>Oct</b>	16.41	2.29
<b>Nov</b>	18.37	7.68
<b>Dec</b>	12.92	15.83
<b>Jan</b>	19.71	19.71
<b>Feb</b>	23.30	20.67
<b>Mar</b>	3.57	13.07
<b>Apr</b>	13.26	2.50
<b>May</b>	7.90	2.58
<b>Jun</b>	4.99	3.01
<b>Jul</b>	5.14	2.06
<b>Aug</b>	0.48	--
<b>Sep</b>	0.61	--
<b>Total</b>	<b>126.65</b>	<b>89.4</b>

**Cotton Imports**

Cotton Imports(In Lakh Bales)		
	2011-12	2012-13
<b>Oct</b>	0.05	3.30
<b>Nov</b>	0.14	1.98
<b>Dec</b>	0.06	0.88
<b>Jan</b>	0.26	0.63
<b>Feb</b>	0.80	0.56
<b>Mar</b>	1.20	0.55
<b>Apr</b>	0.93	0.76
<b>May</b>	0.79	0.80
<b>Jun</b>	0.34	0.05
<b>Jul</b>	0.28	1.1
<b>Aug</b>	0.63	--
<b>Sep</b>	1.98	--
<b>Total</b>	<b>7.45</b>	<b>9.8</b>

**Export Break-Up by Major Countries in Month of July-2013**

Country	Quantity (In Lakh Bales)
Bangladesh	1.06
China	0.77
Vietnam	0.31
Pakistan	0.24
Hong Kong	0.08

**Import Break-Up by Major Countries in Month of July-2013**

Country	Quantity (In Lakh Bales)
Mali	0.56
USA	0.27

**State Wise Comparisons** (All prices in Rs/Qtl)

State	Prices August, 2013	Prices July, 2013	Prices August, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	5006.76	4608.29	4559.08	8.65	9.82
Gujarat	5475.73	5292.73	4423.91	3.46	23.78
Haryana	5190.11	5188.98	4613.32	0.02	12.5
Karnataka	4882.28	4680.9	4597.06	4.3	6.2
Madhya Pradesh		4000	4868.02	—	—
Maharashtra		3899.41	4088.73	—	—
Orissa		4000	3400	—	—
Pondicherry	3149.51	2632	3036.28	19.66	3.73
Punjab			4235.17	—	—
Rajasthan	4972.43	5020.55	4839.4	-0.96	2.75
Tamil Nadu	5472.35	5089.68	5056.98	7.52	8.21
Average	4878.45	4441.25	4338		
*Report Generation: As per the data reported by APMCs					

**State wise Arrivals** (all in lakh bales of 170 kg each)

States	2012-13		2011-12	
	Production as per CAB	Arrivals As on	Production as per CAB	Arrivals As on
	17-04-2013	14-07-2013	23-01-2013	14-07-2013
1. Punjab	20	16.2	18.5	18.5
2. Haryana	24	23.9	26	21.2
3. Rajasthan	16	16	17.5	17.1
<b>A. North Total (1+2+3)</b>	<b>60</b>	<b>56.1</b>	<b>62</b>	<b>56.9</b>
4. Gujarat	87	85.9	120	107.1
5. Maharashtra	74	73.9	74	71.8
6. Madhya Pradesh	18	18	18	18.0
<b>B. Central Total (4+5+6)</b>	<b>179</b>	<b>177.9</b>	<b>212</b>	<b>197.0</b>
7. Andhra Pradesh	76	73.2	56	57.8
8. Karnataka	13	13.9	14	13.3
9. Tamil Nadu	6	3.9	6.5	6.9
<b>C. South Total (7+8+9)</b>	<b>95</b>	<b>91.1</b>	<b>76.5</b>	<b>78.1</b>
10. Orissa	4	3.9	2.5	2
11. Others	2	2	2	1.9
<b>D. Total (10+11)</b>	<b>6</b>	<b>5.93</b>	<b>4.5</b>	<b>3.9</b>
<b>Grand Total (A+B+C+D)</b>	<b>340</b>	<b>331.15</b>	<b>355</b>	<b>336.1</b>
* 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	41278	36554	42278	36269	42417
August	35646	-	38085	-	38064	-
September	33275	-	35878	-	35717	-

Source: Textile Commissioner and Cotton Association of India

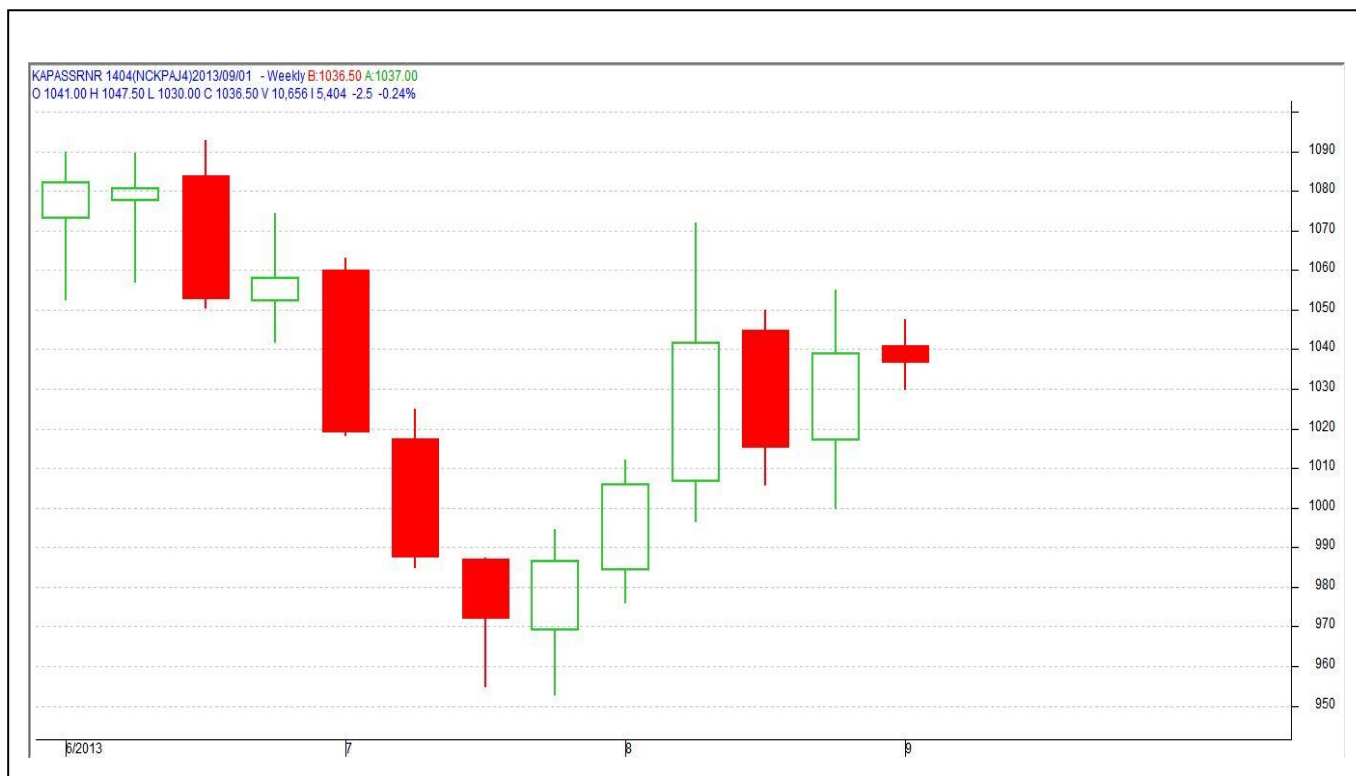
### Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	02/09/2013	02/08/2013	31/08/2012	% Month change	%Y-o-Y change
Oct-13	36897.24	37611.38	35596.8	-1.90	3.6
Dec-13	36804.66	37461.50	—	-1.75	
Mar-14	36474.04	36663.60	—	-0.52	
May-14	36452.00	36482.86	—	-0.08	
July-14	36438.78	36315.34	—	0.34	
Oct-14	34419.79	34499.14	—	-0.23	

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

## Cotton Futures

### Technical Analysis of Cotton Futures April 2014 contract at NCDEX



(Rs/20 kgs)

- Prices are showing upward movement and touched the support of 976.
- Immediate support could be 1010 which could further move up to 1020.
- Our short term outlook on the contract is sideways to bullish.

#### Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
1010	1020	1055	1060

#### Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming month	Expected Trend for coming week
NCDEX	1020-1050	Sideways to Bullish Momentum

## ICE Cotton Futures (December 2013 Contract) Technical Analysis



October 2013 contract (ICE) closed lower in the month of August. Prices ranged 83-94 during the month. Immediate support level is at 84 breaching this may touch 82 levels during upcoming month.

Support 2	Support 1	Resistance 1	Resistance 2
82	84	90	92

All in cents/pound

Source: MRCI

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