

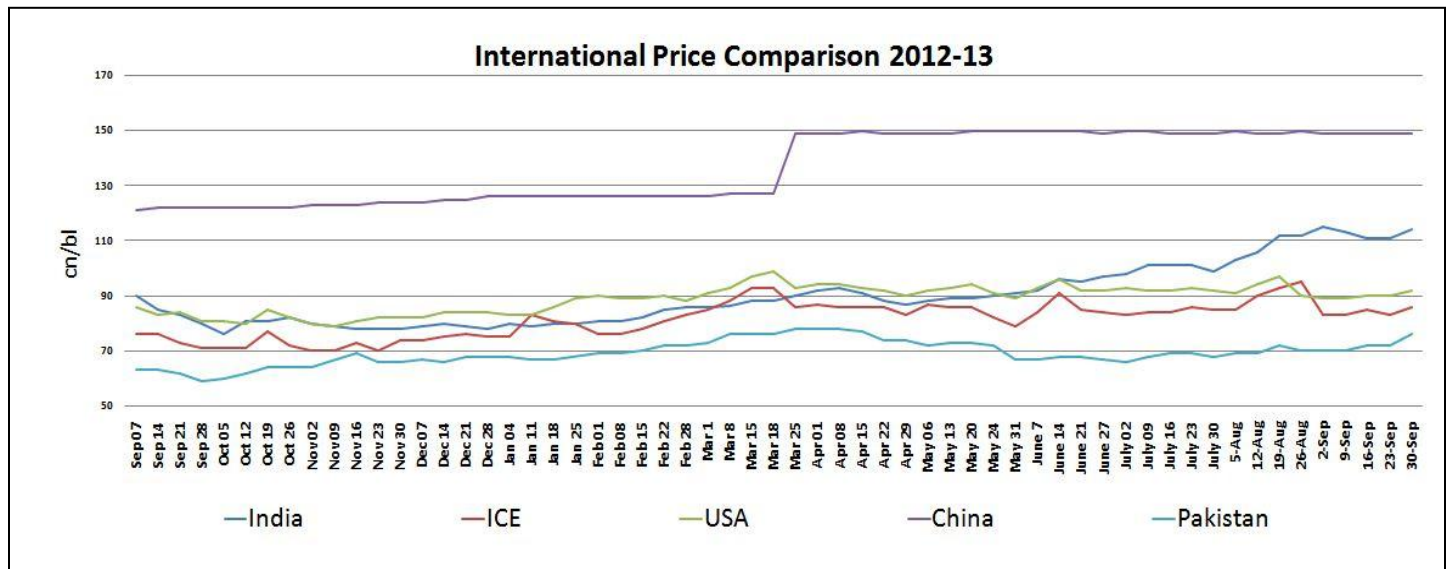
Domestic Fundamentals

- Cotton production in India is expected to be around 37 million bales (of 170 kg each) 9.4% higher than previous season.
- Cotton Area sown till date is approximately 114.51 lakh hectares compared to previous year's 116.04 lakh hectares.
- Cotton season begun with the delayed arrivals due to heavy rain in major cotton growing areas adding to weight to the prices.
- Cotton yield this year has been increased due to the BT cotton and surplus rainfall.
- According to the IBIS data cotton export during the 2012-13 was 93.15 lakh bales whereas import stood at 12.61 lakh bales.
- Export of cotton during the current season is likely to be subdued as incentives from the cotton export have been withdrawn.

International Fundamentals

- China cotton import quota declared for year 2014 is 89400 tones.
- Bangladesh is dependent on India for 1.5 million bales of cotton out of 4 million bales of its total requirement.
- A MoU has been signed by Chinese buyer with Indian companies for procurement of cotton and cotton yarn worth USD 93 million, beckoning higher domestic prices of cotton in future.
- World cotton production is expected decline by 2.9 % as compare season 2012-13, whereas estimates for this month are higher than previous month by 0.8 % amid good crop prospects in India.
- 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
		30.09.13	31.08.13	
Amravati	Mech-1	No Arrival	6200	-
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	6250	No Arrival	-
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	6250	5560	690
Fazilika*	B.T. Cotton	4650	4950	-300
Fazilika	B.T. Cotton	5300	No Arrival	-
Bhiwani*	B.T. Cotton	4650	4900	-250
Bhiwani	B.T. Cotton	5400	5900	-500
Ahmedabad	Shankar-6	6000	No Arrival	-
Gondal	Shankar-6	No Arrival	Closed	-
Sri-Ganganagar	J-34	4645	Closed	-
Abohar	J-34	4640	4520	120

Muktsar	J-34	4625	5035	-410
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Cotton Cumulative Arrivals in Key Centers:

Centre	Variety	Arrivals		%Change
		30.09.13	31.08.13	
Amravati	Mech-1	700	12100	-11400
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-!
Mahesana(Kadi)	B.T. Cotton	16545	No Arrival	-
Muktsar	B.T. Cotton	2000	No Arrival	-!
Patan	B.T. Cotton	No Arrival	No Arrival	-
Rajkot	B.T. Cotton	6725	6871	-146
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	2300	No Arrival	-
Bhiwani*	B.T. Cotton	9200	No Arrival	-
				0
Ahmedabad	Shankar-6	800	No Arrival	-
Gondal	Shankar-6	1083	413	670
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	5160	No Arrival	-
Muktsar	J-34	3400	No Arrival	-

Cotton Association of India Spot Rates:

Variety Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				(30/09/2013)	(31/08/2013)	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38000	40400	-2400
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	39000	40900	-1900
J-34(202)	26mm	3.5 - 4.9	23	42400	45100	-2700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47500	48900	-1400
Shankar-6(105)	29mm	3.5 - 4.9	28	48200	48800	-600
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48700	49700	-1000
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49300	50500	-1200
DCH-32(107)	34mm	3.0 - 3.8	33	57500	56000	1500

Cotton export and import:

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	3.01
Jul	5.14	2.06
Aug	0.48	2.5
Sep	0.61	1.22
Total	126.65	93.12

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	0.05
Jul	0.28	1.1
Aug	0.63	1.01
Sep	1.98	0.99
Total	7.45	12.61

Export Break-Up by Major Countries in Month of September-2013:

Country	Quantity (In Lakh Bales)
Bangladesh	0.74
China	0.17
Pakistan	0.08
Hong Kong	0.06
Vietnam	0.04

Import Break-Up by Major Countries in Month of September-2013:

Country	Quantity (In Lakh Bales)
Pakistan	0.238
Mali	0.149

State Wise Comparisons (All prices in Rs/Qtl)

State	Prices October, 2013	Prices September, 2013	Prices October, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	3900	5239.88	3909.23	-25.57	-0.24
Gujarat	4861.22	5432.62	4080.84	-10.52	19.12
Haryana	5300	5084.69	4391.7	4.23	20.68
Karnataka	3750	4914.59	3988.83	-23.7	-5.99
Madhya Pradesh		4991.51	3852.78	—	—
Maharashtra			3768.74	—	—
Pondicherry		2854.93	2531.93	—	—
Punjab	5045	5014.19	4324.3	0.61	16.67
Rajasthan		5071.19	4576.46	—	—
Tamil Nadu	4786.05	5084.37	3835.19	-5.87	24.79
Uttar Pradesh		4426.19	4394.31	—	—
Average	4607.04	4811.42	3968.57		

*Report Generation: As per the data reported by APMCs

Source: Textile Commissioner and Cotton Association of India

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	30-9-2013	23-01-2013	30-9-2012
1. Punjab	20	16.2	18.5	18.54
2. Haryana	24	24.4	26	21.33
3. Rajasthan	16	16	17.5	17.11
A. North Total* (1+2+3)	60	56.6	62	56.98
4. Gujarat	87	90	120	111.57
5. Maharashtra	74	74	74	72.78
6. Madhya Pradesh	18	18	18	18.01
B. Central Total (4+5+6)	179	182	212	202.36
7. Andhra Pradesh	76	75.46	56	58.31
8. Karnataka	13	14	14	13.96
9. Tamil Nadu	6	5	6.5	6.98
C. South Total (7+8+9)	95	94.46	76.5	79.25
10. Orissa	4	4	2.5	2
11. Others	2	2	2	2
D. Total (10+11)	6	6	4.5	4
Grand Total (A+B+C+D)	340	339.06	355	342.59

* Inclusive of new crop arrivals in September 2012

Lint Prices:

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	41700	36554	42200	36269	42900
August	35646	43321.64	38085	45621.40	38064	45959.60
September	33275	-	35878	-	35717	-

Cotton Future Contracts on ICE (International Market):

ICE Futures Cotton					
Contracts	30/09/2013	30/08/2013	30/08/2012	% Month change	%Y-o-Y change
Oct-13	37959.63	36897.24	33339.76114	2.88	13.86
Dec-13	38444.54	36804.66	—	4.46	
Mar-14	38343.15	36474.04	—	5.12	
May-14	38263.80	36059.66	—	6.11	
July-14	37981.67	36059.66	—	5.33	
Oct-14	36064.07	34419.79	—	4.78	

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

Cotton Futures:

Technical Analysis of Cotton Futures April 2014 contract at NCDEX:



(Rs/20 kgs)

- Prices during the month were in the range of 950.50-1020
- Prices are showing downward movement and touched the support of 950.
- Immediate support could be 955 which could further move up to 1000.
- Our short term outlook on the contract is sideways to bullish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
955	1000	1020	1025

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming month	Expected Trend for coming week
NCDEX	955-1025	Sideways to Bullish Momentum

ICE Cotton Futures (December 2013 Contract) Technical Analysis:



October 2013 contract (ICE) closed higher in the month of September. Prices ranged 82-86 during the month. Immediate support level is at 83 which could further slide up to 84 in coming days.

Support 2	Support 1	Resistance 1	Resistance 2
83	84	86	88

All in cents/pound
Source: MRCI

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