

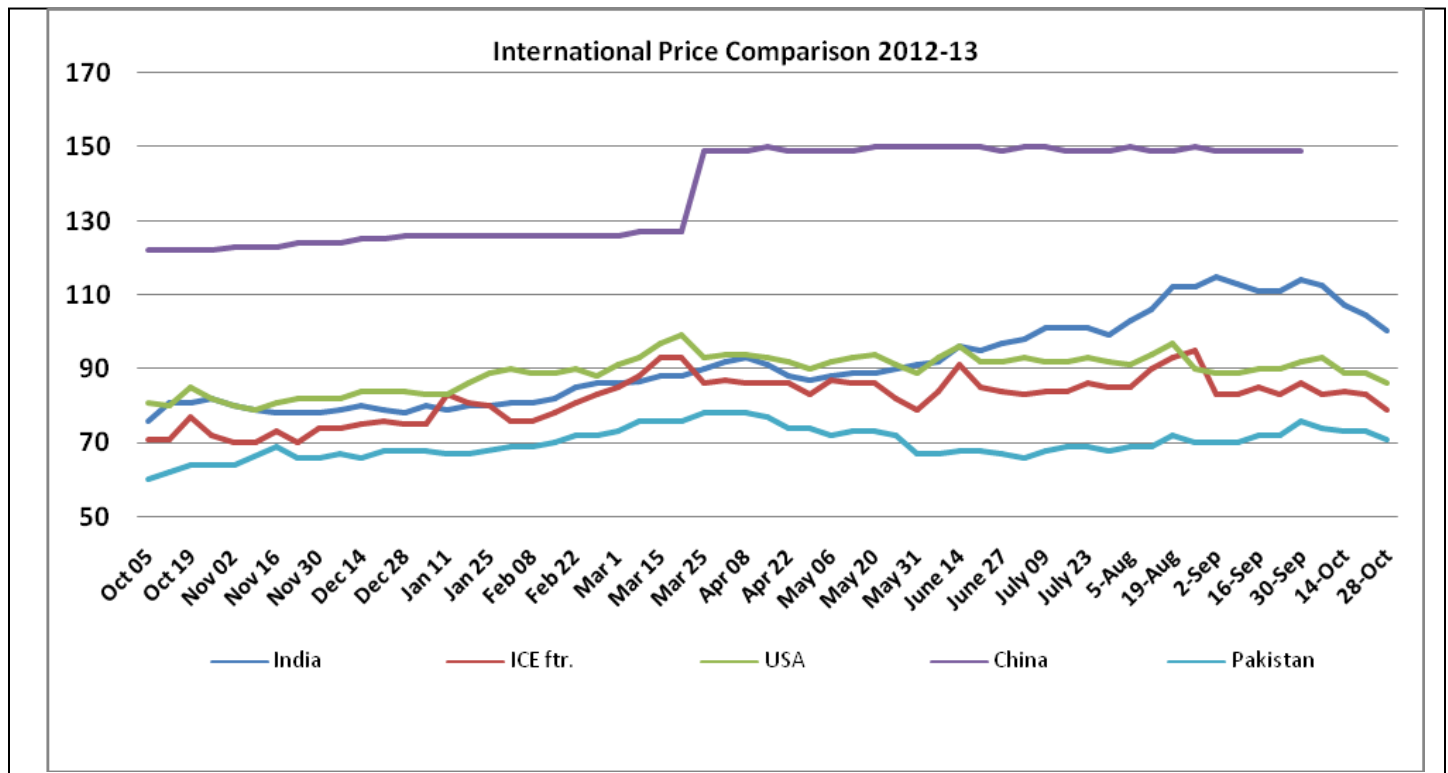
Domestic Fundamentals

- Production of cotton according to Department of Agriculture and co-operation (DAC) 1st estimate, would be 353 lakh bales this year whereas Cotton advisory board has estimated it 375 lakh bales for this season.
- Farmers are planning to revert back to the indigenous varieties from the BT or genetically modified cotton, complaining about its efficacy.
- Area under cotton production this year has declined to 11.5 million hectares, whereas it was 11.9 million hectares last year.
- Yield of cotton during this season (2013-14) has been estimated around 520 kg. per hectares whereas it was 489 kg. per hectare last season.
- Recent rains in Andhra Pradesh has damages around 3.08 lakh hectares of cotton crop.
- Agriculture minister, Sharad Pawar along with a group of minister (GoM) has rejected the textile ministry proposal of imposing duty of 10% on export of cotton beyond a declared exportable surplus.

International Fundamentals

- Cotton imports in China are likely to decline by 20%, as reported by market participants.
- According to the USDA estimates, global production is expected to decline, majorly because of fall in production in China and USA.
- Major exporters this year would be United States, India and Australia followed by Uzbekistan, Brazil and Mali as per USDA estimates.
- International Prices during the initial two month of season (Aug-Jul) remained higher compared to initial months of last two year.
- Vietnam has emerged as fifth largest cotton Importer, with import sentiments of 6 lakh tons in year 2013.
- In Australia, cotton sowing area is expected to decline by 2% in season 2013-14.

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



Source: Agriwatch Research

*China prices not available

Domestic Cotton Prices

Cotton Prices at Key Spot Markets:

Centre	Variety	Prices (Rs/Qtl)		Change
		30.10.13	30.09.13	
Amravati	Mech-1	4300	No Arrival	-
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5000	No Arrival	-
Muktsar	B.T. Cotton	5425	6250	-825
Patan	B.T. Cotton	5300	No Arrival	-
Rajkot	B.T. Cotton	5175	6250	-1075
Fazilika*	B.T. Cotton	5450	4650	+800
Fazilika	B.T. Cotton	4625	5300	-675
Bhiwani*	B.T. Cotton	5350	4650	+700
Bhiwani	B.T. Cotton	4510	5400	-890
Ahmedabad	Shankar-6	5125	6000	-

5th November 2013

Gondal	Shankar-6	5155	No Arrival	-
Sri-Ganganagar	J-34	4500	4645	-145
Abohar	J-34	4630	4640	-10
Muktsar	J-34	4635	4625	+10

Cotton Cumulative Arrivals in Key Centers:

Centre	Variety	Arrivals		Change
		30.10.13	30.09.13	
Amravati	Mech-1	32000	700	+31300
Khandwa	Mech-1	No Arrival	No Arrival	-
Khargaon	Mech-1	No Arrival	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	223700	No Arrival	-
Muktsar	B.T. Cotton	7480	3400	+4080
Patan	B.T. Cotton	181222	No Arrival	-
Rajkot	B.T. Cotton	131020	6725	+124295
Fazilika	B.T. Cotton	22400	2300	+20100
Fazilika*	B.T. Cotton	45800	9200	+36600
Bhiwani*	B.T. Cotton	17900	3174	+14726
Ahmedabad	Shankar-6	272200	800	+271400
Gondal	Shankar-6	66293	1083	+65210
Sri-Ganganagar	J-34	30700	No Arrival	-
Abohar	J-34	30532	5160	+25372
Muktsar	J-34	7480	3400	+4080

Cotton Association of India Spot Rates:

Variety Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				(29/10/2013)	(30/09/2013)	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40000	38000	+2000
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	41000	39000	+2000
J-34(202)	26mm	3.5 - 4.9	23	NQ	42400	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42200	47500	-5300
Shankar-6(105)	29mm	3.5 - 4.9	28	42500	48200	-5700
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43600	48700	-5100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NQ	49300	-
DCH-32(107)	34mm	3.0 - 3.8	33	55000	57500	-2500

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	4514.4	5233.83	3909.23	-13.75	15.48
Gujarat	4631.43	5420.03	4080.84	-14.55	13.49
Haryana	5050.34	5121.06	4391.7	-1.38	15
Karnataka	4803.05	4900.78	3988.83	-1.99	20.41
Madhya Pradesh	4716.61	4895.13	3852.78	-3.65	22.42
Maharashtra	4395.75		3768.74	—	16.64
Orissa	4030.3			—	—
Pondicherry		2854.93	2531.93	—	—
Punjab	4728.1	5021.41	4324.3	-5.84	9.34
Rajasthan	5083.53	5059.57	4576.46	0.47	11.08
Tamil Nadu	4543.88	5067.28	3835.19	-10.33	18.48
Uttar Pradesh	4634.95	4426.19	4394.31	4.72	5.48
Uttrakhand	10357			—	—
Average	5124.11	4800.02	3968.57		

*Report Generation: As per the data reported by APMCs

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

States	2012-13*	2012-13	
	Arrivals As on	Production as per CAB	Arrivals As on
	20-10-2013	17-04-2013	20-10-2012
1. Punjab	1.36	20	0.99
2. Haryana	0.78	24	1
3. Rajasthan	0.38	16	0.33
A. North Total (1+2+3)	2.52	60	2.32
4. Gujarat	1.66	87	1.39
5. Maharashtra	0.3	74	0.78
6. Madhya Pradesh	0.25	18	0.56
B. Central Total (4+5+6)	2.21	179	2.73
7. Andhra Pradesh	0.45	76	0.15
8. Karnataka	0.28	13	0.22
9. Tamil Nadu	0	6	0
C. South Total (7+8+9)	0.73	95	0.37
10. Orissa	0	4	0
11. Others	0.03	2	0.05
D. Total (10+11)	0.03	6	0.05
Grand Total (A+B+C+D)	5.49	340	5.47

* Inclusive of new crop arrivals in September 2013

Lint Prices:

Month	J-34		H-4		S-6	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
October	29661.92	42978*	32794.72	44155*	33517.4	46148*
November	31580.76		32844.56		33592.16	
December	32452.96		33043.92		33798.64	
January	32837.44		33008.32		33805.76	
February	35165.68		34332.64		35051.76	
March	37949.6		37664.8		38319.84	
April	36963.48		37565.12		38205.92	
May	36507.8		37490.36		37764.48	
June	38871.64		39825.72		39868.44	
July	41278.2		42278.56		42417.4	
August	43321.64		45621.4		45959.6	
September	43143.64		44891.6		47839.28	-

*upto 20-10-2013

Source: Textile Commissioner and Cotton Association of India

Cotton Future Contracts on ICE (International Market):

ICE Futures Cotton					
Contracts	30/10/2013	30/09/2013	30/10/2012	% Month change	%Y-o-Y change
Oct-13	34313.99	37959.63	33388.25213	-9.60	2.77
Dec-13	35191.24	38444.54	33714.46	-8.46	4.38
Mar-14	35499.81	38343.15	—	-7.42	
May-14	35768.72	38263.80	—	-6.52	
July-14	34155.29	37981.67	—	-10.07	
Oct-14	33899.61	36064.07	—	-6.00	

*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 961-1021.
- Prices are showing downward movement, touched the support of 960 which could further slide down to 950.
- However resistance during the month would be 980-990.
- Our short term outlook on the contract is sideways to bearish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
950	960	980	990

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming month	Expected Trend for coming week
NCDEX	950-990	Sideways to Bearish Momentum

ICE Cotton Futures (December 2013 Contract) Technical Analysis:



October 2013 contract (ICE) closed higher in the month of September. Prices ranged 77-88 during the month. Immediate support level is at 76 which could further slide down to 75 in coming days.

Support 2	Support 1	Resistance 1	Resistance 2
75	76	85	86

All in cents/pound
Source: MRCI

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