

Domestic Market

- Cotton prices were almost steady to positive. According to market sources, the overall trend is negative and cotton prices may decline this week ended on 18th May 2013.
- Consumption of cotton by non-SSI mills was at 20.85 lakh bales in March 2013 and for SSI it was at 1.93 lakh bales. In both the cases the consumption have increased from last year in same period.
- Daily cotton arrivals have gone down to 50,000 per day from 1.25-1.50 lakh bales a day.
- Yarn export is week amid low demand China, payments are affected in markets.
- CCI cotton auction received cold response from bidders; with 25,000 bales at auction only 1000 bales were bid at auction.

Weekly Outlook: Lower arrivals in market are making prices decline. Low arrivals are not enough to support prices. Prices are likely to decline in coming week.

International Market

- USDA report forecasted 10 percent rise in global cotton inventory.
- USA cotton crop progress has reached 23 percent as on 12 May 2013. This is lower to five years average of 38 percent plantation due to shifting of farmers to other crops.
- According to USDA, India's cotton exports in 2012 -13 marketing year are higher than the initial estimates at 9.2 million metric tonnes and are lower by 34 per cent compared to previous year.
- Cotton plantation in US has reached to 17 percent which was 35 percent at this point of time last year.
- Cotton futures at NYMEX closed higher amid expectation of lower output in the U.S and strong Chinese demand.

Cotton Prices at Key Spot Markets:

Commodity	Center	Variety	% Change Over Previous Week	Current Week 17/5/2013	Previous Week 10/5/2013
Cotton	Amravati	Vunni Mech-1#	0.00	4550	4550
	Mahesana-Kadi	Bt Cotton#	0.00	4750	4750
	Abohar	J-34*	0.99	3990	4030
	Muktsar	J-34 *#(Cotton)	1.11	3995	4040
		#(Kapas BT Cotton)	2.13	4600	4700
	Ahmedabad	Shankar-6#	0.50	4950	4975
	Fajilka	#(Cotton New)	0.87	3970	4005
		#(Kapas BT Cotton)	-	No Arrival	No Arrival
	Khandwa	(29mm)	-	No Arrival	No Arrival
	Khargaon	(MECH-1 29 MM)	-	No Arrival	No Arrival
	Gondal	Sankar 6	0.31	4880	4895
	Rajkot	B.T. Cotton	-0.31	4910	4895
	Sri-Ganganagar	Cotton(J-34)	-	No Arrival	No Arrival
	Patan	(B.T. Cotton)		4925	4925
	Bhiwani	Cotton	0.75	3970	4000
		Kapas-Narma	0.54	4600	4625

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Center	Variety	Weekly Arrival		% Change
		Current Week 17/5/2013	Previous Week 10/5/2013	
Amravati	Vunni Mech-1#	11500	21000	32.91
Mahesana-Kadi	Bt Cotton#	355	510	59.38
Abohar	J-34*	630	300	-34.78
Muktsar	#(Kapas BT Cotton)	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	60000	66000	-9.09
Fajilka	#(Kapas BT Cotton)	No Arrival	450	-
Khandwa	(29mm)	No Arrival	No Arrival	-
Khargaon	(MECH-1 29 MM)	No Arrival	No Arrival	-
Gondal	Sankar 6	2955	2826	-12.86
Rajkot	B.T. Cotton	5680	8490	-17.57
Sri-Ganganagar	Cotton(J-34)	No Arrival	2569	-
Patan	(B.T. Cotton)	-	5738	-44.83
Bhiwani	Kapas-Narma	1000	1550	-35.48

(Amravatai, Fajilka = Quintal,) (Kadi- Motors=100 quintals,) (Ahmadabad, Abohar and Muktsar-Bales)

Cotton Association of India Spot Rates

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (14/5/2013)	Rs. Per Candy (09/5/2013)	% Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
J-34(202)	26mm	3.5 - 4.9	23	36100	36100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36500	36700	-0.5
Shankar-6(105)	29mm	3.5 - 4.9	28	37500	37500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38900	38900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40000	40000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Fundamental Cotton Price Outlook for Coming Week

We expect cotton prices to witness sideways to bearish tone in the coming days. Downside could extend amid falling demand in the near –term.

State Wise Comparisons (in Rs/Qtl)

State	Prices May, 2013	Prices April, 2013	Prices May, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4047.38	3868.52	3747.19	4.62	8.01
Gujarat	4471.38	4724.08	3827.48	-5.35	16.82
Haryana	4643.53	4622.19	4088.94	0.46	13.56
Karnataka	4242.28	4470.64	3666.08	-5.11	15.72
Madhya Pradesh	4430.75	4637.56	3728.31	-4.46	18.84
Maharashtra	4227.05	4588.27	3659.92	-7.87	15.5
Orissa	4200	4109.16	2838.19	2.21	47.98
Pondicherry	2882.33	2501	2578.92	15.25	11.77
Punjab	4698.68	4270.17	4270.05	10.03	10.04
Rajasthan	4583.62	4669.57	4096.63	-1.84	11.89
Tamil Nadu	4412.68	4668.61	3889.81	-5.48	13.44
Uttar Pradesh	-	4144	-	-	-
Average	4258.15	4272.81	3671.96		

*Report Generation: As per the data reported by APMCs

Source: Agmarket

Cotton Exports
Cotton Imports

Cotton Exports(In Lakh Bales)			Cotton Imports(In Lakh Bales)		
	2011-12	2012-13		2011-12	2012-13
Oct	16.41	2.29	Oct	0.05	3.30
Nov	18.37	7.68	Nov	0.14	1.98
Dec	12.92	15.83	Dec	0.06	0.88
Jan	19.71	19.71	Jan	0.26	0.63
Feb	23.30	20.67	Feb	0.80	0.56
Mar	3.57	13.07	Mar	1.20	0.55
Apr	13.26	2.50	Apr	0.93	0.76
May	7.90	-	May	0.79	-
Jun	4.99	-	Jun	0.34	-
Jul	5.14	-	Jul	0.28	-
Aug	0.48	-	Aug	0.63	-
Sep	0.61	-	Sep	1.98	-
Total	126.65	81.75	Total	7.45	8.65

Export Break-Up by Major Countries in Month of Apr-2013
Apr-13

Country	Quantity (In Lakh Bales)
B'Desh	1.49
China	0.98
Pakistan	0.23
Vietnam	0.18
Indonesia	0.06
Hong Kong	0.01

Import Break-Up by Major Countries in Month of Apr-2013
Apr-13

Country	Quantity (In Lakh Bales)
USA	0.24
Egypt	0.08

NCDEX 'Shankar Kaps' Futures

NCDEX Shankar Futures			
Contracts	17/5/2013	17/4/2013	Month Change
Oct-13	4992.50	4585.00	407.50
Dec-13	5062.50	4725.00	337.50

*PRICE UNIT-Rs/Quintal

Technical Analysis of Cotton Futures April 2014 contract at NCDEX


- Prices are showing upward movement and touched strong support of Rs. 1025
- Immediate support could be seen at 1020 touching such level price could slide up to 1010.
- Our short term outlook on the contract is sideways to bearish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
1010	1020	1075	1080

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	1010-1075	Sideways to Bearish Momentum

International Prices

World Monthly average Cotlook A Index (FE) in US Cent per pound		
Month	2011-12	2012-13
August	114.1	84.4
September	116.9	84.15
October	110.61	82.17
November	104.75	80.87
December	95.45	83.37
January	101.11	85.51
February	100.75	89.71
March	99.5	94.45
April	100.1	94.94
May	88.79	94.92
June	82.18	86.88
July	83.97	-

Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	17/5/2013	17/4/2013	17/5/2012	% M-o-M Change	% Y-o-Y Change
May-13	38091.88	37276.35	33789.40	2.19	12.73
Jul-13	37999.30	38197.68	33427.93	-0.52	13.68
Oct-13	37867.06	37822.97	32577.13	0.12	16.24
Dec-13	37765.67	37853.83	33106.12	-0.23	14.07
Mar-14	37748.03	37771.40	33546.95	-0.06	12.52
May-14	37845.02	37690.73	33956.92	0.41	11.45

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

ICE Cotton Futures (July 2013 Contract) Technical Analysis


March 2013 Contract of ICE futures closed on up side. Prices ranged 87.88 to 85.45 during the week. Immediate support level is at 83 breaching this may touch 80 levels during upcoming week.

Support 2	Support 1	Resistance 1	Resistance 2
77.30	78.40	95	97

All in cents/pound

Source: MRCI

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