

Domestic Market

- Cotton prices were almost steady to weak. Overall price trend is negative and cotton prices may decline amid falling arrivals this week ended on 25th May 2013.
- Major plantation activity will begin by onset of monsoon. It is likely to hit major parts of cotton growing area by mid-June. Yarn demand has picked up however prices are not likely to show steep rise in prices as government is selling stocks. Cotton Corp of India (CCI) offered 38,100 bales through e-auction on Monday in which 6000 bales have been sold.
- Cotton plantation reached 11.86 lakh hectares in Northern India.
- Cotton acreage is pegged to drop by 5 percent this year as farmers are shifting to more lucrative crop of guar, after its ban was lifted on Forward markets.

Weekly Outlook: Lower arrivals and export registration are not supporting prices. Release of stocks in market is stability of prices.

International Market

- Planting across cotton growing region Mississippi, Oklahoma, Tennessee and Kansas, further delayed while major cotton growing state of Texas has picked up plantation to 49 percent.
- US weekly export data on cotton showed 1.01 lakh bales export in 2012-13, in which most of export was to China.
- Demand of cotton in US is likely to decline by 10 percent from 16.7 million bales to 15 million bales due to lower export demand from China.

Cotton Prices at Key Spot Markets:

Commodity	Center	Variety	% Change Over Previous Week	Current Week 31/5/2013	Previous Week 24/5/2013
Cotton	Amravati	Vunni Mech-1#	1.09	4650	4600
	Mahesana-Kadi	Bt Cotton#	1.06	4750	4700
	Abohar	J-34*	0.97	4170	4130
	Muktsar	J-34 *(Cotton)	1.82	4200	4125
		#(Kapas BT Cotton)	-	No Arrival	4600
	Ahmedabad	Shankar-6#	-	-	4950
	Fajilka	#(Cotton New)	0.24	4100	4090
		#(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	0.71	4960	4925
	Rajkot	B.T. Cotton	0.81	4990	4950
	Sri-Ganganagar	Cotton(J-34)	-	4050	3890
	Patan	(B.T. Cotton)	-0.11	4575	4580
	Bhiwani	Cotton	3.06	4040	3920
		Kapas-Narma	4.35	4800	4600

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Center	Variety	Weekly Arrival		% Change
		Current Week 31/5/2013	Previous Week 24/5/2013	
Amravati	Vunni Mech-1#	4300	10200	-57.84
Mahesana-Kadi	Bt Cotton#	15	210	-92.86
Abohar	J-34*	585	455	28.57
Muktsar	#(Kapas BT Cotton)	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	-	20000	-
Fajilka	#(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	3161	3043	3.88
Rajkot	B.T. Cotton	6345	6340	0.08
Sri-Ganganagar	Cotton(J-34)	No Arrival	No Arrival	-
Patan	(B.T. Cotton)	1425	650	119.23
Bhiwani	Kapas-Narma	No Arrival	No Arrival	-

(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 (30/5/2013)	Rs. Per Candy (23/5/2013)	% Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35000	34600	1.16
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35900	35600	0.84
J-34(202)	26mm	3.5 - 4.9	23	37100	36700	1.09
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37800	37000	2.16
Shankar-6(105)	29mm	3.5 - 4.9	28	38500	37900	1.58
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39700	39400	0.76
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40700	40500	0.49
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 June, 2013	Prices May, 2013	Prices June, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	-	4041.83	3754.87	-	-
Gujarat	4656.08	4478.29	3726.21	3.97	24.95
Haryana	4772.12	4654.39	3935	2.53	21.27
Karnataka	4594.18	4357.92	3870.87	5.42	18.69
Madhya Pradesh	4150	4403.16	3673.56	-5.75	12.97
Maharashtra	-	4232.78	3508.4	-	-
Orissa	-	4190.29	-	-	-
Pondicherry	-	2882.33	2948.94	-	-
Punjab	-	2471.18	-	-	-
Rajasthan	4683.91	4438.21	3882.7	5.54	20.64
Tamil Nadu	5034.72	4639.65	3624.42	8.52	38.91
Average	4648.5	4071.82	3658.33	-	-

*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

Source: IBIS

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

Country	Quantity (In Lakh Bales)
USA	0.24
Egypt	0.08

Source: IBIS

NCDEX 'Shankar Kaps' Futures

NCDEX Shankar Futures			
Contracts	1/6/2013	1/5/2013	Month Change
Oct-13	5200.00	5105.00	95.00
Dec-13	5262.50	5147.50	115.00

*PRICE UNIT-Rs/Quintal

Technical Analysis of Cotton Futures April 2014 contract at NCDEX


- Prices are showing upward movement and touched strong resistance of Rs. 1103
- Immediate resistance could be seen at 1105 touching such level price could slide up to 1120
- Our short term outlook on the contract is sideways to bullish.

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	1010-1045	Sideways to Bearish Momentum

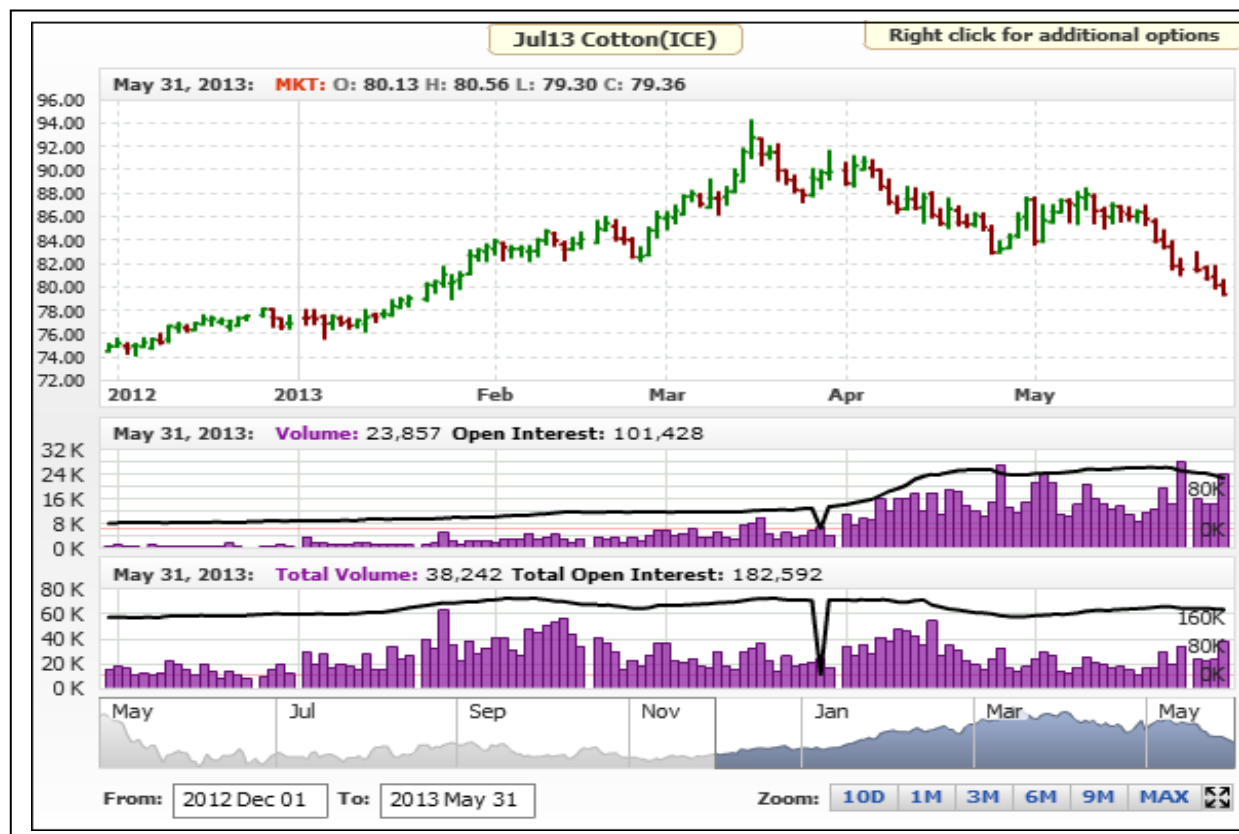
International Prices

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	31/5/2013	30/4/2013	31/5/2012	% M-o-M Change	% Y-o-Y Change
May-13	34984.05	37703.95	31541.19	-7.21	10.92
Jul-13	35878.93	38559.16	31673.43	-6.95	13.28
Oct-13	36174.28	38091.88	31012.19	-5.03	16.65
Dec-13	36315.34	38034.57	31924.71	-4.52	13.75
Mar-14	36601.88	38131.55	32603.58	-4.01	12.26
May-14	36901.64	38219.72	33264.82	-3.45	10.93

*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 86.91 to 81.52 during the week. Immediate support level is at 80 breaching this may touch 78 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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