

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.
- Cotton plantation reached 11.86 lakh hectares in Northern India. This was 10.37 lakh hectares in same period last year. Punjab noticed higher acreage (1.19 Lakh hec.), Haryana (0.86 lakh hec), Rajasthan (0.45 lakh hec.) and Karnataka (0.10 lakh hec.).
- Exports of Cotton Yarn are projected to raise, 1150 million kg in current fiscal.
- Cotton plantation reached 11.70 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

- US law maker are in pursuit of ending subsidy on US cotton, that would ,make prices at par with developing countries.
- 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.

Cotton Prices at Key Spot Markets:

Centre	Variety	Prices (Rs/Qtl)		%Change
		07/06/2013	31/05/2013	
Amravati	Mech-1	4850	4650	4.30
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	4900	4800	2.08
Patan	B.T. Cotton	No Arrival	4040	-
Rajkot	B.T. Cotton	5085	4990	1.90
Fazilika	B.T. Cotton	4125	4100	0.61
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4070	4040	0.74
Bhiwani*	B.T. Cotton	4825	4800	0.52
Ahmedabad	Shankar-6	5075	5000	1.50
Gondal	Shankar-6	5000	4960	0.81
Sri-Ganganagar	J-34	4050	4050	Unch
Abohar	J-34	4160	4170	-0.24
Muktsar	J-34	4150	4200	-1.19

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		07/06/2013	31/05/2013	
Amravati	Mech-1	9500	4300	120.93
Khargaon	Mech-1	No Arrival	No Arrival	-
Khandwa	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	1425	-
Rajkot	B.T. Cotton	4630	6345	-27.03
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	60000	No Arrival	-
Gondal	Shankar-6	2582	3161	-18.32
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	360	585	-38.46
Muktsar	J-34	No Arrival	No Arrival	-

* New Crop

Cotton Association of India Spot Rates

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (06/6/2013)	Rs. Per Candy (30/5/2013)	% Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36600	35000	4.57
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37500	35900	4.46
J-34(202)	26mm	3.5 - 4.9	23	37400	37100	0.81
H-4/ MECH- 1(105)	28mm	3.5 - 4.9	27	38700	37800	2.38
Shankar- 6(105)	29mm	3.5 - 4.9	28	38800	38500	0.78
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40000	39700	0.76
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41000	40700	0.74
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	4299.6	4041.36	3754.87	6.39	14.51
Gujarat	4679.55	4479.51	3726.21	4.47	25.58
Haryana	4719.27	4654.47	3935	1.39	19.93
Karnataka	4593.61	4357.92	3870.87	5.41	18.67
Madhya Pradesh	3926.31	4403.08	3673.56	-10.83	6.88
Maharashtra	4415.23	4236.72	3508.4	4.21	25.85
Orissa	-	4190.29	-	-	-
Pondicherry	3270	2882.33	2948.94	13.45	10.89
Punjab	-	2471.18	-	-	-
Rajasthan	4773.94	4438.21	3882.7	7.56	22.95
Tamil Nadu	4825.82	4639.28	3624.42	4.02	33.15
Average	4389.26	4072.21	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	2.58	May	0.79	0.80
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	84.33	Total	7.45	9.45

Source: IBIS

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

Country	Quantity (In Lakh Bales)
China	0.90
B'Desh	0.54
Pakistan	0.29
Vietnam	0.30
Indonesia	0.12

Source: IBIS

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

Country	Quantity (In Lakh Bales)
USA	0.21
Egypt	0.13

Source: IBIS

Technical Analysis of Cotton Futures April 2014 contract at NCDEX


- Prices are showing upward movement and touched strong support of Rs. 1050
- Immediate support could be seen at 1037 touching such level price could slide up to 1030
- Our short term outlook on the contract is sideways to bearish.

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

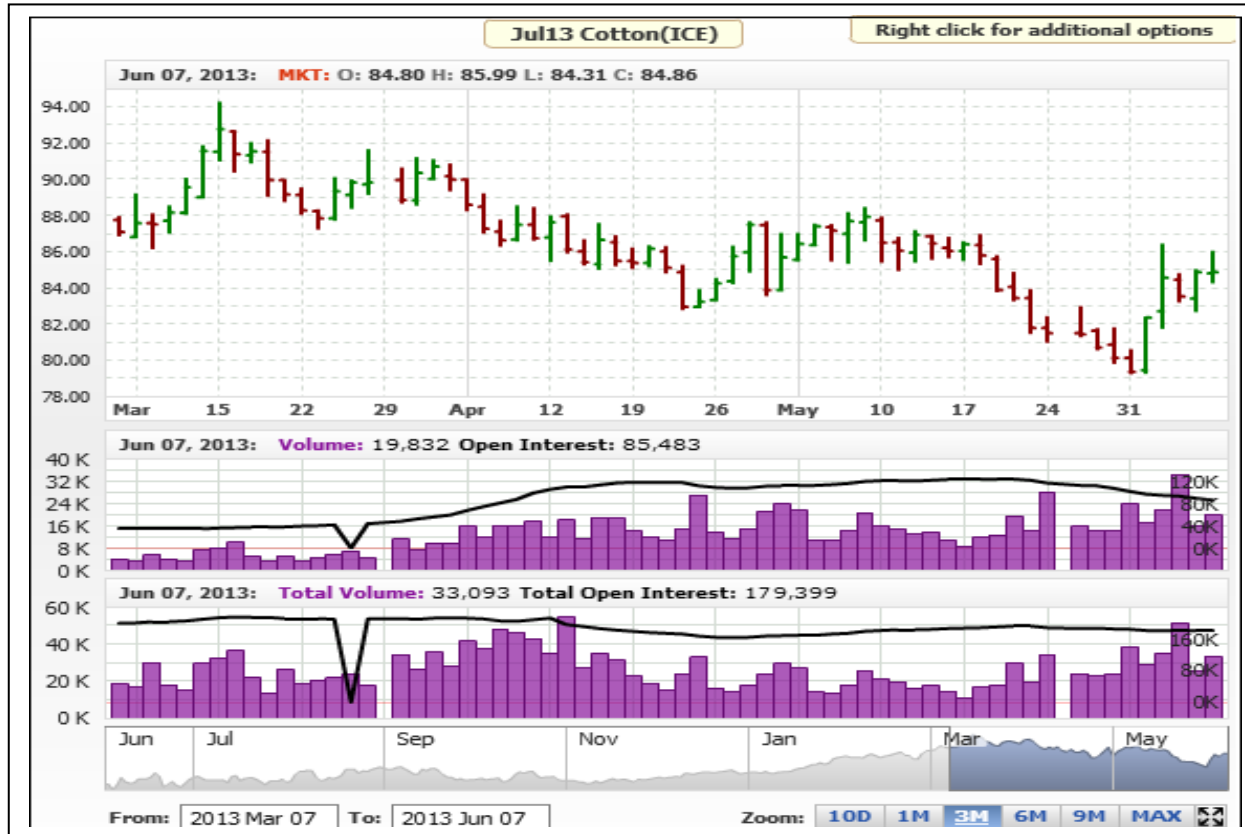
World Monthly average Cotlook A Index (FE) in US Cent per pound		
Month	2011-12	2012-13
August	114.1	84.4
September	116.9	84.15
October	110.61	82.17
November	104.75	80.87
December	95.45	83.37
January	101.11	85.51
February	100.75	89.71
March	99.5	94.45
April	100.1	94.94
May	88.79	94.92
June	82.18	86.88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

Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	10/6/2013	10/5/2013	10/6/2012	% M-o-M Change	% Y-o-Y Change
Jul-13	37408.60	38122.74	33101.71	-1.87	13.01
Oct-13	37796.52	37986.08	30306.87	-0.50	24.71
Dec-13	37549.66	37831.79	30544.92	-0.75	22.93
Mar-14	37624.60	37809.75	31303.14	-0.49	20.19
May-14	37787.71	37743.62	31713.11	0.12	19.15
July-14	37972.86	37699.54	32034.91	0.72	18.54

*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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