

Domestic Market

- Cotton prices noticed mixed tone. Overall price trend is firm and cotton prices may rise amid falling arrivals and rising demand this week ended on 24th June 2013.
- Due to heavy rainfall in cotton growing region arrivals have been in mandis.
- Cotton prices might fall amid good monsoon rains and traders are reluctant to buy at current levels.
- Plantation is almost complete in Haryana, Rajasthan and Punjab
- Import of long length cotton is firm even when the cost has increased due to rupee depreciation. This is because the cost that long staple imported cotton is lower when procured from Gujarat and Maharashtra. Landed cost of long staple cotton is Rs.66,275 per candy.

Weekly Outlook: Lower arrivals and export registration are supporting prices.

International Market

- As on 16 June, 2013 Cotton plantation has been completed in 98% of the total area in USA and germination stage is said to be fair to good.
- Plantation prospects of cotton in Australian are above average in current season as fields are having good water availability.
- China has sold 25 lakh tonnes of the raw cotton so far in ongoing marketing year, the cotton association of China said. Association said it plans to sell a total of 45 lakh tonnes by the end of July 2013.
- USDA has cut the forecast the cotton forecast due to draught in Texas.
- China considers changes in domestic cotton policy; this could impact the Indian cotton exports.
- US law maker are in pursuit of ending subsidy on US cotton that would, make prices at par with developing countries.

Cotton Prices at Key Spot Markets:

Centre	Variety	Prices (Rs/Qtl)		%Change
		21/06/2013	14/06/2013	
Amravati	Mech-1	5000	5000	Unch
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	No Arrival	No Arrival	--
Patan	B.T. Cotton	No Arrival	No Arrival	--
Rajkot	B.T. Cotton	5050	5195	-2.79
Fazilika*	B.T. Cotton	4300	4310	-0.23
Fazilika	B.T. Cotton	No Arrival	No Arrival	--
Bhiwani*	B.T. Cotton	4200	4260	-1.41
Bhiwani	B.T. Cotton	5000	5200	-3.85
Ahmedabad	Shankar-6	5150	5150	Unch
Gondal	Shankar-6	5200	5085	+2.26
Sri-Ganganagar	J-34	4220	No Arrival	--
Abohar	J-34	4330	4325	+0.12
Muktsar	J-34	4325	4325	Unch

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		21/06/2013	14/06/2013	
Amravati	Mech-1	6250	7200	-13.19
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	1000	--
Patan	B.T. Cotton	No Arrival	No Arrival	--
Rajkot	B.T. Cotton	3365	3925	-14.27
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	32000	41000	-21.95
Gondal	Shankar-6	1204	935	+28.27
Sri-Ganganagar	J-34	No Arrival	No Arrival	--
Abohar	J-34	No Arrival	40	--
Muktsar	J-34	No Arrival	1000	--

* New Crop

Cotton Association of India Spot Rates

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (20/6/2013)	Rs. Per Candy (13/6/2013)	% Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39000	38000	+2.63
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39900	38900	+2.57
J-34(202)	26mm	3.5 - 4.9	23	39200	39000	+0.51
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39500	39700	-0.50
Shankar-6(105)	29mm	3.5 - 4.9	28	40000	39700	+0.76
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40600	40800	-0.49
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42000	42100	-0.24
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49500	Unch

Fundamental Cotton Price Outlook for Coming Week

We expect cotton prices to witness sideways to bullish tone in the coming days. Upside 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	4411.99	3995.45	3754.87	10.43	17.5
Gujarat	4821.68	4481.6	3726.21	7.59	29.4
Haryana	4851.34	4654.47	3935	4.23	23.29
Karnataka	4650.73	4357.92	3870.87	6.72	20.15
Madhya Pradesh	4064.77	4286.01	3673.56	-5.16	10.65
Maharashtra	4486.17	4236.72	3508.4	5.89	27.87
Orissa	-	4190.29	-	-	-
Pondicherry	3007.43	2882.33	2948.94	4.34	1.98
Punjab	-	2471.18	-	-	-
Rajasthan	4726.62	4438.21	3882.7	6.5	21.74
Tamil Nadu	4726.69	4638.68	3624.42	1.9	30.41
Average	4416.38	4057.53	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 resistance of Rs. 1095
- Immediate support could be seen at 1060 touching such level price could slide up to 1055
- Our short term outlook on the contract is sideways to bearish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
1040	1045	1080	1090

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	1060-1080	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	93.15
July	83.97	-

Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	24/6/2013	24/5/2013	24/6/2012	Month Change	Year Change
Jul-13	37536.44	35923.01	32696.15	4.49	14.80
Oct-13	37770.07	36720.91	30549.32	2.86	23.64
Dec-13	37311.61	36928.09	30469.98	1.04	22.45
Mar-14	36901.64	36844.34	31109.18	0.16	18.62
May-14	36637.15	36980.99	31554.41	-0.93	16.11
July-14	36504.90	37108.83	31862.99	-1.63	14.57

*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 92.58 to 84.21 during the week. Immediate support level is at 84 breaching this may touch 82 levels during upcoming week.

Support 2	Support 1	Resistance 1	Resistance 2
78	80	95	97

All in cents/pound

Source: MRCI

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