

### Domestic Market

- Cotton prices noticed strong tone this week ended on 27<sup>th</sup> June 2013. Overall price trend is firm and cotton prices may rise amid falling arrivals and rising demand.
- 22,000-20,000 bales of cotton have arrived across India. This is likely to remain steady to low as plantation activity is going on across cotton growing areas.
- Cotton Plantation has reached 28.13 lakh hectares for 2013-14 amid good rainfall received in growing areas of cotton. This is above than the normal cropping area of 24.59 lakh hectares.
- Good buying from the local mills and export demand supported prices.

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

### International Market

- Pakistan textile exports grew on good demand from US and European markets. The demand is likely to upset as economy is likely to dip.
- China cotton imports dip to 31% compared to the same time last year in May 2013.
- Cotton global stocks will be lowest level in 3 years. The global supplies of cotton have been getting tighter outside China.
- 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.

**Cotton Prices at Key Spot Markets:**

Centre	Variety	Prices (Rs/Qtl)		%Change
		26/06/2013	21/06/2013	
Amravati	Mech-1	5100	5000	2.00
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	5635	5050	11.58
Fazilika*	B.T. Cotton	4350	4300	1.16
Fazilika	B.T. Cotton	No Arrival	No Arrival	--
Bhiwani*	B.T. Cotton	4300	4200	2.38
Bhiwani	B.T. Cotton	5200	5000	4.00
Ahmedabad	Shankar-6	5375	5150	4.37
Gondal	Shankar-6	5505	5200	5.87
Sri-Ganganagar	J-34	4370	4220	3.55
Abohar	J-34	4480	4330	3.46
Muktsar	J-34	4475	4325	3.47

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		%Change
		26/06/2013	21/06/2013	
Amravati	Mech-1	2300	6250	-63.20
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	No Arrival	--
Rajkot	B.T. Cotton	4350	3365	+29.27
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	12000	32000	-62.52
Gondal	Shankar-6	1442	1204	+19.77
Sri-Ganganagar	J-34	No Arrival	No Arrival	--
Abohar	J-34	No Arrival	No Arrival	--
Muktsar	J-34	No Arrival	No Arrival	--

\* New Crop

**Cotton Association of India Spot Rates**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (25/6/2013)	Rs. Per Candy (20/6/2013)	% Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39000	39000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39900	39900	Unch
J-34(202)	26mm	3.5 - 4.9	23	40500	39200	3.32
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40300	39500	2.03
Shankar-6(105)	29mm	3.5 - 4.9	28	40700	40000	1.75
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41500	40600	2.22
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42500	42000	1.19
DCH-32(107)	34mm	3.0 - 3.8	33	50500	49500	2.02

**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	4345.86	3995.45	3754.87	8.77	15.74
Gujarat	4882.93	4481.7	3726.21	8.95	31.04
Haryana	4879.37	4654.47	3935	4.83	24
Karnataka	4685.9	4357.92	3870.87	7.53	21.06
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	2936.67	2882.33	2948.94	1.89	-0.42
Punjab	-	2471.18	-	-	-
Rajasthan	4740.64	4438.21	3882.7	6.81	22.1
Tamil Nadu	4727.39	4638.68	3624.42	1.91	30.43
Average	4416.63	4057.54	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
<b>Oct</b>	16.41	2.29	<b>Oct</b>	0.05	3.30
<b>Nov</b>	18.37	7.68	<b>Nov</b>	0.14	1.98
<b>Dec</b>	12.92	15.83	<b>Dec</b>	0.06	0.88
<b>Jan</b>	19.71	19.71	<b>Jan</b>	0.26	0.63
<b>Feb</b>	23.30	20.67	<b>Feb</b>	0.80	0.56
<b>Mar</b>	3.57	13.07	<b>Mar</b>	1.20	0.55
<b>Apr</b>	13.26	2.50	<b>Apr</b>	0.93	0.76
<b>May</b>	7.90	2.58	<b>May</b>	0.79	0.80
<b>Jun</b>	4.99	-	<b>Jun</b>	0.34	-
<b>Jul</b>	5.14	-	<b>Jul</b>	0.28	-
<b>Aug</b>	0.48	-	<b>Aug</b>	0.63	-
<b>Sep</b>	0.61	-	<b>Sep</b>	1.98	-
<b>Total</b>	<b>126.65</b>	<b>84.33</b>	<b>Total</b>	<b>7.45</b>	<b>9.45</b>

Source: IBIS

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

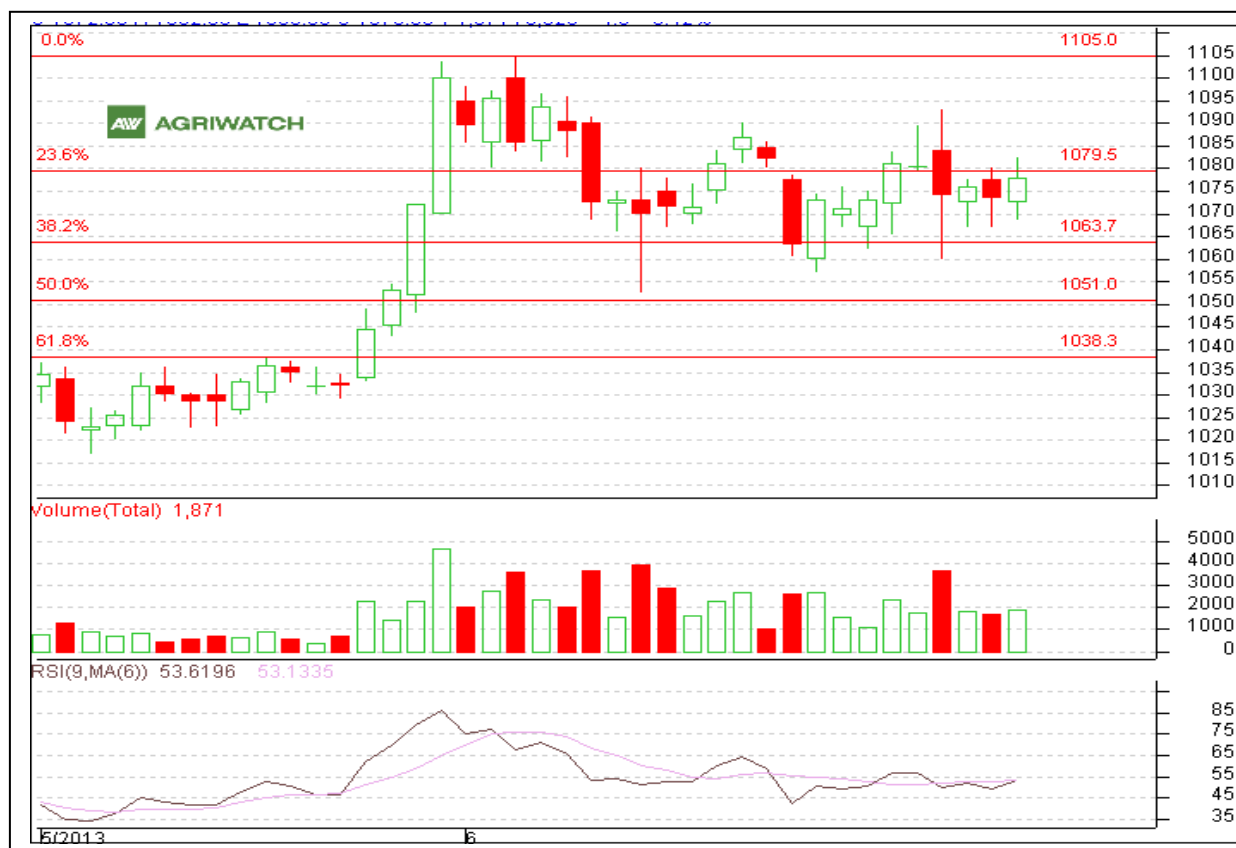
Country	Quantity (In Lakh Bales)
China	0.90
B'Desh	0.54
Pakistan	0.29
Vietnam	0.30
Indonesia	0.12

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. 1093
- 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	93.35
July	83.97	-

### Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	27/6/2013	27/5/2013	27/6/2012	% Month change	%Y-o-Y change
Jul-13	36888.42	35923.01	29980.66	2.69	23.04
Oct-13	37598.15	36720.91	29892.49	2.39	25.78
Dec-13	36897.24	36928.09	29958.62	-0.08	23.16
Mar-14	36191.91	36844.34	30514.06	-1.77	18.61
May-14	35914.19	36980.99	30976.93	-2.88	15.94
July-14	35764.31	37108.83	31378.08	-3.62	13.98

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

**ICE Cotton Futures (December 2013 Contract) Technical Analysis**


March 2013 Contract of ICE futures closed on up side. Prices ranged 92.58 to 82.00 during the week. Immediate support level is at 81 breaching this may touch 78 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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