

Domestic Market

- Cotton prices noticed strong tone this week ended on 7th July 2013. Overall price trend is firm and cotton prices may rise amid falling arrivals and rising demand.
- Cotton Plantation has reached 55.76 lakh hectares for 2013-14 amid good rainfall received in growing areas of cotton. This is above than the cropping area in 2012-13 was 31.38 lakh hectares.
- 38,000-40,000 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.
- 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.
- 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 tons 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 tons by the end of July 2013.

Cotton Prices at Key Spot Markets:

Centre	Variety	Prices (Rs/Qtl)		%Change
		5/07/2013	28/06/13	
Amravati	Mech-1	5175	5100	+1.47
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	5675	5625	+0.89
Fazilika*	B.T. Cotton	4470	4470	Unch
Fazilika	B.T. Cotton	No Arrival	No Arrival	--
Bhiwani*	B.T. Cotton	4450	4430	+0.45
Bhiwani	B.T. Cotton	5350	5400	-0.93
Ahmedabad	Shankar-6	5500	5500	Unch
Gondal	Shankar-6	5625	5570	+0.99
Sri-Ganganagar	J-34	4010	4400	-8.86
Abohar	J-34	4500	4490	+0.22
Muktsar	J-34	4510	4500	+0.22

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		5/07/2013	28/06/2013	
Amravati	Mech-1	3900	2300	+69.57
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	6810	4350	+56.55
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	16000	12000	+33.33
Gondal	Shankar-6	1741	1442	+20.74
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 (4.7.2013)	Rs. Per Candy (28.6.2013)	% Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39400	39300	0.25
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40200	0.50
J-34(202)	26mm	3.5 - 4.9	23	40900	40700	0.49
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41500	40900	1.47
Shankar-6(105)	29mm	3.5 - 4.9	28	42000	41500	1.20
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43000	42000	2.38
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43500	42600	2.11
DCH-32(107)	34mm	3.0 - 3.8	33	51000	51000	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 July, 2013	Prices June, 2013	Prices July, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4559.15	4340.66	4314.39	5.03	5.67
Gujarat	5280.18	4904.94	4479.73	7.65	17.87
Haryana	5065.28	4887.03	4342.17	3.65	16.65
Karnataka	4863.12	4699.13	4517.07	3.49	7.66
Madhya Pradesh	-	4059.32	3883.13	-	-
Maharashtra	3928.23	4458.92	3687.59	-11.9	6.53
Pondicherry	3009	2936.67	3126.86	2.46	-3.77
Rajasthan	5000	4759.77	4438.54	5.05	12.65
Tamil Nadu	4951.43	4804.77	5227.98	3.05	-5.29
Average	4582.05	4427.91	4224.16		

*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

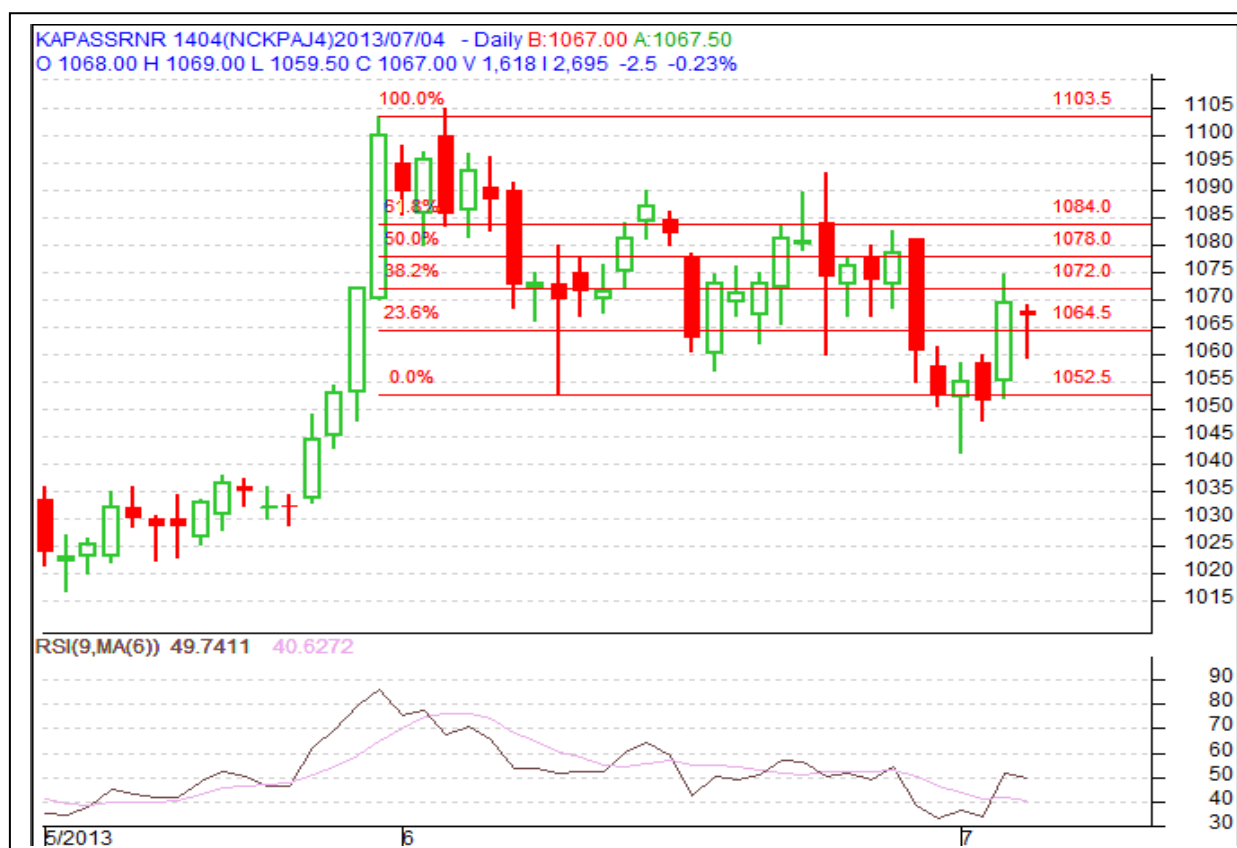
Country	Quantity (In Lakh Bales)
China	0.90
B'Desh	0.54
Pakistan	0.29
Vietnam	0.30
Indonesia	0.12

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 support of Rs. 1042
- Immediate support could be seen at 1040 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
1030	1040	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	3/7/2013	3/6/2013	3/7/2012	% Month change	%Y-o-Y change
Jul-13	37201.41	36319.75	32070.18	2.43	16.00
Oct-13	38413.68	37408.60	32136.30	2.69	19.53
Dec-13	37796.52	37170.55	32004.05	1.68	18.10
Mar-14	37452.68	37236.67	32528.64	0.58	15.14
May-14	37421.82	37479.13	32898.93	-0.15	13.75
July-14	37399.78	37703.95	33308.90	-0.81	12.28

*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 85.30 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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