

Domestic Market

- Cotton prices noticed strong tone this week ended on 13th July 2013. Overall price trend is firm and cotton prices may rise amid falling arrivals and rising demand.
- Cotton Corporation of India, is to release the entire stock of 14 lakh bales (170kg each) of cotton in domestic market after the green signal given by Textiles Ministry
- Cotton sown area is approximately 92.44 (Lakh Hectares) as compared to 65.22 (Lakh Hectares) last year which is approximately 41% higher than last year.
- Good buying from the local mills and export demand supported prices.

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

International Market

- As per USDA report, world output is seen at 118.02 million bales, more than 117.6 bales estimated in June 2013.
- 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
		12/07/2013	5/07/2013	
Amravati	Mech-1	5500	5175	+6.28
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	5730	5675	+0.97
Fazilika*	B.T. Cotton	4600	4470	+2.91
Fazilika	B.T. Cotton	No Arrival	No Arrival	--
Bhiwani*	B.T. Cotton	4300	4450	-3.37
Bhiwani	B.T. Cotton	5250	5350	-1.87
Ahmedabad	Shankar-6	No Arrival	5500	--
Gondal	Shankar-6	5735	5625	+1.96
Sri-Ganganagar	J-34	4520	4010	+12.72
Abohar	J-34	4605	4500	+2.33
Muktsar	J-34	4610	4510	+2.22

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		12/07/2013	5/07/2013	
Amravati	Mech-1	7150	3900	+83.33
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	2700	6810	-60.35
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	No Arrival	16000	--
Gondal	Shankar-6	1180	1741	-32.22
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 (11.7.2013)	Rs. Per Candy (4.7.2013)	% Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39800	39400	+1.02
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40800	40400	+0.99
J-34(202)	26mm	3.5 - 4.9	23	42100	40900	+2.93
H-4/ MECH- 1(105)	28mm	3.5 - 4.9	27	42700	41500	+2.89
Shankar- 6(105)	29mm	3.5 - 4.9	28	43200	42000	+2.86
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44300	43000	+3.02
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44900	43500	+3.22
DCH-32(107)	34mm	3.0 - 3.8	33	52200	51000	+2.35

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

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Cotton Exports(In Lakh Bales)		
	2011-12	2012-13
Oct	16.41	2.29
Nov	18.37	7.68
Dec	12.92	15.83
Jan	19.71	19.71
Feb	23.30	20.67
Mar	3.57	13.07
Apr	13.26	2.50
May	7.90	2.58
Jun	4.99	-
Jul	5.14	-
Aug	0.48	-
Sep	0.61	-
Total	126.65	84.33

Source: IBIS

Cotton Imports

Cotton Imports(In Lakh Bales)		
	2011-12	2012-13
Oct	0.05	3.30
Nov	0.14	1.98
Dec	0.06	0.88
Jan	0.26	0.63
Feb	0.80	0.56
Mar	1.20	0.55
Apr	0.93	0.76
May	0.79	0.80
Jun	0.34	-
Jul	0.28	-
Aug	0.63	-
Sep	1.98	-
Total	7.45	9.45

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

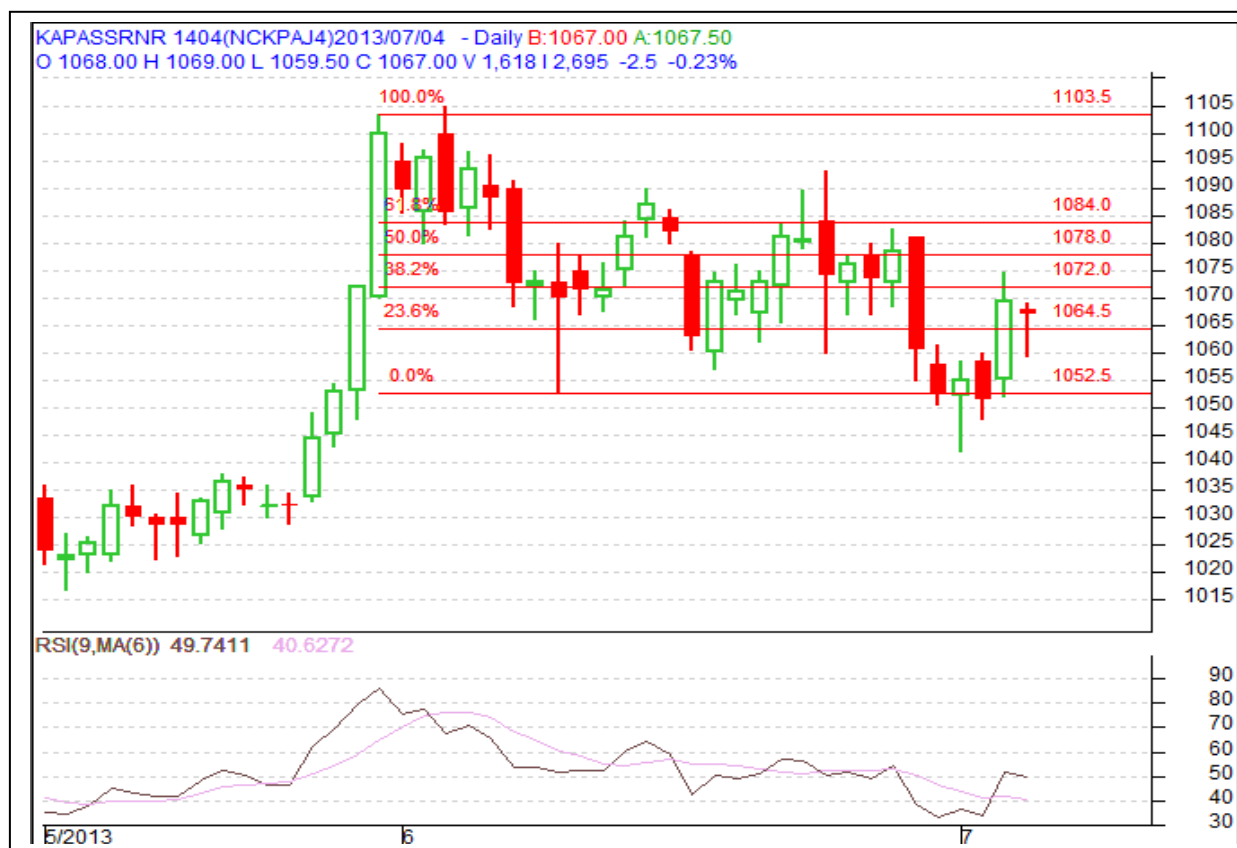
Source: IBIS

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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