

Domestic Market

- 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.
- According to Ministry of Agriculture, acreage under cotton till date is reported at 100.55 lakh hectares compared to 83.74 lakh hectares during the same period last year.
- According to trade sources, cotton season is almost to end with approximately 95% of crop arrival in market by mid of July.

Weekly Outlook: Demand is less as of lower export and less demand in market. Prices have fallen this week and expected to fall further.

International Market

- In U.S, cotton output is expected to be lower compared to last year due to drop in acreage and unfavorable weather conditions in major growing areas.
- Cotton futures at NYMEX closed higher amid dry weather forecast in the cotton growing regions.
- As per USDA report, world output is seen at 118.02 million bales, more than 117.6 bales estimated in June 2013.
- 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 Prices at Key Spot Markets:

Centre	Variety	Prices (Rs/Qtl)		%Change
		19/7/2013	12/7/2013	
Amravati	Mech-1	5365	5500	-2.45
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	5656	5730	-1.29
Fazilika*	B.T. Cotton	4600	4600	0
Fazilika	B.T. Cotton	No Arrival	No Arrival	--
Bhiwani*	B.T. Cotton	4281	4300	-0.44
Bhiwani	B.T. Cotton	5180	5250	-1.33
Ahmedabad	Shankar-6	No Arrival	No Arrival	--
Gondal	Shankar-6	5628	5735	-1.87
Sri-Ganganagar	J-34	4473	4520	-1.04
Abohar	J-34	4565	4605	-0.87
Muktsar	J-34	4565	4610	-0.98

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		19/7/2013	12/7/2013	
Amravati	Mech-1	2850	7150	-60.14
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	3785	2700	40.19
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	No Arrival	--
Gondal	Shankar-6	758	1180	-35.76
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	Rs. Per Candy	% Change
				(19.7.2013)	(11.7.2013)	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39400	39800	-1.01
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40800	-0.98
J-34(202)	26mm	3.5 - 4.9	23	41400	42100	-1.66
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41900	42700	-1.87
Shankar-6(105)	29mm	3.5 - 4.9	28	42500	43200	-1.62
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43100	44300	-2.71
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44400	44900	-1.11
DCH-32(107)	34mm	3.0 - 3.8	33	52200	52200	0.00

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	4607.07	4340.64	4314.39	6.14	6.78
Gujarat	5358.11	4907.28	4479.73	9.19	19.61
Haryana	5184.76	4894.71	4342.17	5.93	19.4
Karnataka	4824.51	4699.13	4517.07	2.67	6.81
Madhya Pradesh		4054.32	3883.13	—	—
Maharashtra	3911.93	4458.92	3687.59	-12.27	6.08
Orissa	4000			—	—
Pondicherry	2788.25	2936.67	3126.86	-5.05	-10.83
Rajasthan	5011.65	4759.77	4438.54	5.29	12.91
Tamil Nadu	5028.65	4804.77	5227.98	4.66	-3.81
Average	4523.88	4428.47	4224.16		

(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	3.01	Jun	0.34	0.05
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	1.31
B'Desh	0.78
Pakistan	0.16
Vietnam	0.47
Indonesia	0.15

Source: IBIS

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

May-13	
Country	Quantity (In Lakh Bales)
USA	0.18
Egypt	0.05

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
960	965	990	1000

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	900-1010	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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