

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.
- Cotton Area sown till date is approximately 105.06 lakh hectares compared to previous year's 97.24 lakh hectares which are 8.4% higher than last year.
- According to trade sources in Maharashtra cotton sowing is almost completed by 85%
- According to the news sources the prices of cotton declined amid good rainfall, fair crop condition and lower overseas demand

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 trading in Pakistan remained stable as spinning mill-owners continued to buy commodity as per their requirements
- Eastern African countries including, Kenya and Tanzania, are focusing on cotton sector for the economic revival of the region.

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
		26/7/2013	19/7/2013	
Amravati	Mech-1	3750	2850	31.57
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	2650	3785	-29.98
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	1540	758	103.1
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
				(26.7.2013)	(19.7.2013)	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38600	39400	-2.03
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39600	40400	-1.98
J-34(202)	26mm	3.5 - 4.9	23	41000	41400	-0.96
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42000	41900	0.23
Shankar-6(105)	29mm	3.5 - 4.9	28	42200	42500	-0.70
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43200	43100	0.23
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44200	44400	-0.45
DCH-32(107)	34mm	3.0 - 3.8	33	52000	52200	-0.38

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 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	3.01
Jul	5.14	-
Aug	0.48	-
Sep	0.61	-
Total	126.65	84.33

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	0.05
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

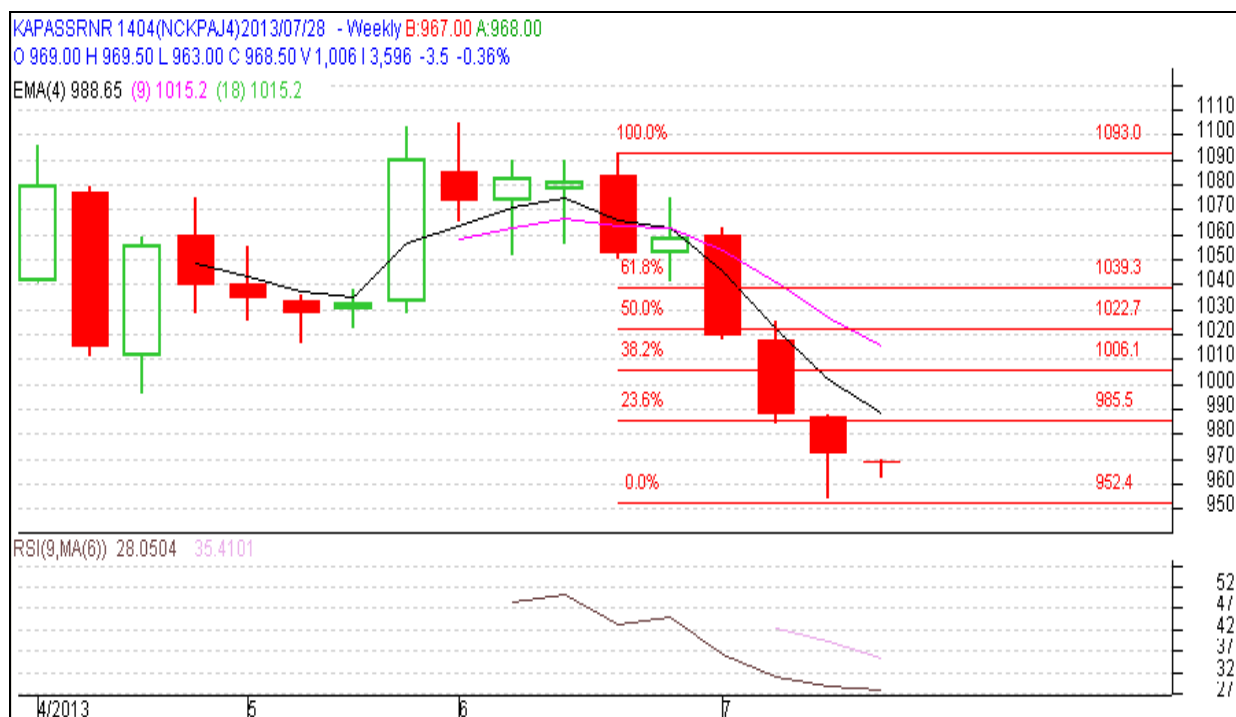
May-13	
Country	Quantity (In Lakh Bales)
China	1.31
B'Desh	0.78
Pakistan	0.16
Vietnam	0.47
Indonesia	0.15

(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 downward movement and touched support of Rs. 952
- Immediate support could be seen at 945 touching such level price could slide up to 935
- Our short term outlook on the contract is sideways to bearish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
935	945	985	1000

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	900-950	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 (October 2013 Contract) Technical Analysis



March 2013 Contract of ICE futures closed on up side. Prices ranged 85 to 87 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
82	884	88	89

All in cents/pound

Source: MRCI

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2013 Indian Agribusiness Systems Pvt Ltd.