

Domestic Market

- Cotton gained higher momentum in north and west India last week amid fair buying.
- Cotton corporation of India does not see much scope for export of cotton though the government of India has relaxed the restriction on the export of cotton.
- Cotton Area sown till date is approximately 108.52 hectares compared to previous year's 101.12 lakh hectares which are 7.3% higher than last year.
- Maharashtra and Andhra Pradesh may face decline in the cotton crop yield, due to excess rainfall in the month of July, whereas Punjab and Rajasthan has led with pest incidence due to below optimum rainfall.
- **Weekly Outlook:** Higher exports due to relaxation in export policy by government of India and lesser yield in major cotton growing states may lead to appreciation of cotton price in future

International Market

- ICE cotton future moved highest since June 18
- World cotton stockpiles in July 2014 would be 19.81 million metric tons, 7% above of 18.51 million, which was forecasted last month for the same period.
- ICE cotton future in July fell down due to forecast for much needed rain in dry cotton growing lands in Texas and lower demand due to the increased interest rates in India.
- Cotton futures at NYMEX closed higher amid dry weather forecast in the cotton growing regions.
- Cotton trading in Pakistan remained stable as spinning mill-owners continued to buy commodity as per their requirements

Cotton Prices at Key Spot Markets:

Centre	Variety	Prices (Rs/Qtl)		%Change
		10/8/2013	02/8/2013	
Amravati	Mech-1	5650	5250	7.62
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	5925	5430	9.12
Fazilika*	B.T. Cotton	4725	4550	3.85
Fazilika	B.T. Cotton	No Arrival	No Arrival	--
Bhiwani*	B.T. Cotton	4550	4400	3.41
Bhiwani	B.T. Cotton	5380	5270	2.09
Ahmedabad	Shankar-6	No Arrival	No Arrival	--
Gondal	Shankar-6	5000	5250	-4.76
Sri-Ganganagar	J-34	4700	4480	4.91
Abohar	J-34	4790	4580	4.59
Muktsar	J-34	4800	4580	4.80

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		10/8/2013	02/8/2013	
Amravati	Mech-1	6800	2900	134.48
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	1470	1381	6.44
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	145	1223	-88.14
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
				(08.8.2013)	(01.8.2013)	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38500	38400	0.26
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39500	39400	0.25
J-34(202)	26mm	3.5 - 4.9	23	43200	41000	5.37
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43900	41900	4.77
Shankar-6(105)	29mm	3.5 - 4.9	28	44200	42400	4.25
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45400	43400	4.61
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46000	44400	3.60
DCH-32(107)	34mm	3.0 - 3.8	33	54000	52000	3.85

Fundamental Cotton Price Outlook for Coming Week

We expect cotton prices to witness bullish tone in the coming days.

State Wise Comparisons (in Rs/Qtl)

State	Prices August, 2013	Prices July, 2013	Prices August, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4681.16	4602.83	4559.08	1.7	2.68
Gujarat	5133.53	5293.17	4423.91	-3.02	16.04
Haryana	5100	5188.98	4613.32	-1.71	10.55
Karnataka	4720.92	4680.9	4597.06	0.85	2.69
Madhya Pradesh		4000	4868.02	—	—
Maharashtra		3899.41	4088.73	—	—
Orissa		4000	3400	—	—
Pondicherry	3528.83	2632	3036.28	34.07	16.22
Punjab			4235.17	—	—
Rajasthan	5235	5020.55	4839.4	4.27	8.17
Tamil Nadu	5326.77	5085.71	5056.98	4.74	5.34
Average	4818.03	4440.35	4338		

(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	2.06	Jul	0.28	1.1
Aug	0.48	-	Aug	0.63	-
Sep	0.61	-	Sep	1.98	-
Total	126.65	89.4	Total	7.45	9.8

Export Break-Up by Major Countries in Month of July-2013

Country	Quantity (In Lakh Bales)
Bangladesh	1.06
China	0.77
Vietnam	0.31
Pakistan	0.24
Hong Kong	0.08

(Source: IBIS)

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

Country	Quantity (In Lakh Bales)
Mali	0.56
USA	0.27

(Source: IBIS)

Technical Analysis of Cotton Futures April 2014 contract at NCDEX


- Prices are showing upward movement showing support of 952
- Immediate support could be seen at 960 touching such level price could move up to 980
- Our short term outlook on the contract is bullish

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
960	980	1020	1030

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	1000-1050	Bullish 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	92.6

Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	09/8/2013	09/7/2013	09/8/2012	% Month change	%Y-o-Y change
Oct-13	39255.66	38210.90	34437.42	2.73	13.99
Dec-13	39202.76	37902.32	—	3.43	
Mar-14	38299.07	37479.13	—	2.19	
May-14	37765.67	37338.06	—	1.15	
July-14	37148.51	37223.45	—	-0.20	
Oct-14	35314.67	—	—	—	

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

ICE Cotton Futures (October 2013 Contract) Technical Analysis


October 2013 Contract of ICE futures closed on up side. Prices ranged 85 to 89 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
84	86	88	90

All in cents/pound

Source: MRCI

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