

Domestic Market

- Cotton prices in domestic market ruled higher amid fair buyings.
- Cotton exports fell down by 31% to 9.8 million bales in 2012-2013 marketing year, which ended last month, whereas imports rose to 1.47 million bales during the same period.
- Cotton Area sown till date is approximately 110.93 lakh hectares compared to previous year's 110.26 lakh hectares which are 0.60% higher than last year.
- As per the USDA report, Cotton consumption in India is expected to be remain strong until September.
- **Weekly Outlook:** Cotton prices will move down in coming days as market is in bearish tone, but it could revive later as there is a threat of crop loss in major cotton growing states, which could lead supply deficit.

International Market

- Cotton prices moved a two month high, as after a negative forecast for US crop, supply concerns came into focus.
- USA cotton export to China will be remained higher, supported by country's import demands and domestic price support policy.
- Pakistan cotton market is in bullish trend due to crop damages because of heavy rains.
- USDA lowered its forecast for US and world cotton production for year 2013-14

Cotton Prices at Key Spot Markets

Centre	Variety	Prices (Rs/Qtl)		%Change
		16/8/2013	10/8/2013	
Amravati	Mech-1	5750	5650	+1.77
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	6060	5925	+2.28
Fazilika*	B.T. Cotton	4815	4725	+1.90
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	4600	4550	+1.10
Bhiwani	B.T. Cotton	5650	5380	+5.02
Sirsa	B.T. Cotton	4850	4740	+2.32
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	-	5000	-
Sri-Ganganagar	J-34	4750	4700	+1.06
Abohar	J-34	4925	4790	+2.82
Muktsar	J-34	4925	4800	+2.60

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		16/8/2013	10/8/2013	
Amravati	Mech-1	2050	6800	-69.85
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	2660	1470	+82.95
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	80	145	-44.83
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
				14-Aug-13	8-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39500	38500	2.60
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	39500	2.28
J-34(202)	26mm	3.5 - 4.9	23	43100	43200	-0.23
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44800	43900	2.05
Shankar-6(105)	29mm	3.5 - 4.9	28	45100	44200	2.04
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46100	45400	1.54
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46800	46000	1.74
DCH-32(107)	34mm	3.0 - 3.8	33	54300	54000	0.56

Fundamental Cotton Price Outlook for Coming Week

We expect cotton prices to witness bearish 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	4744.94	4602.83	4559.08	3.09	4.08
Gujarat	5370.52	5292.96	4423.91	1.47	21.4
Haryana	5100	5188.98	4613.32	-1.71	10.55
Karnataka	4698.13	4680.9	4597.06	0.37	2.2
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	5429.05	5085.71	5056.98	6.75	7.36
Average	4872.35	4440.33	4338		

(Source: Agmarket)

Cotton Exports
Cotton Imports

Cotton Exports(In Lakh Bales)			Cotton Imports(In Lakh Bales)		
Month	2011-12	2012-13	Month	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 July-2013

Country	Quantity (In Lakh Bales)
Mali	0.56
USA	0.27

(Source: IBIS)

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	16/08/2013	16/07/2013	16/08/2012	% Month change	%Y-o-Y change
Oct-13	41173.26	37324.84	33344.16941	10.31	23.48
Dec-13	41137.99	37192.59	—	10.61	
Mar-14	39692.08	36500.49	—	8.74	
May-14	38735.49	36209.55	—	6.98	
July-14	37501.17	36046.44	—	4.04	
Oct-14	35684.96	34529.99	—	3.34	

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

Technical Analysis of Cotton Futures April 2014 contract at NCDEX

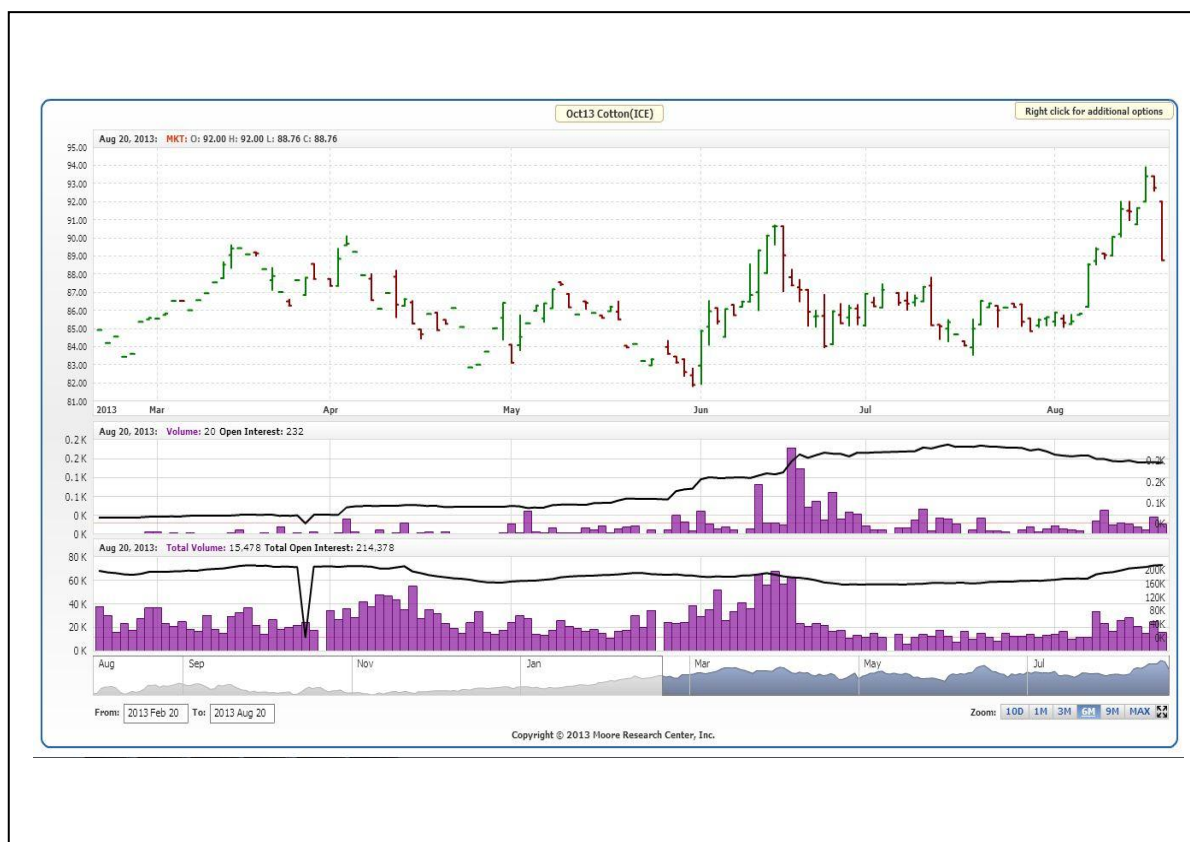

- Prices are showing downward movement showing support of 1009.
- Immediate support could be seen at 1000, prices could further move down to 995.
- Our short term outlook on the contract is bearish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
995	1000	1045	1050

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	995-1050	Bearish Momentum

ICE Cotton Futures (October 2013 Contract) Technical Analysis


October 2013 Contract of ICE futures closed on down side. Prices ranged 89 to 94 during the week. Immediate support level is at 88, which could further may move down to 86.

Support 2	Support 1	Resistance 1	Resistance 2
86	88	91	93

All in cents/pound

Source: MRCI

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