

Domestic Market

- As per the news sources, Indian cotton crop yield has increased by 30% due to BT cotton.
- 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 111.34 lakh hectares compared to previous year's 111.54 lakh hectares during the same period.
- As per the USDA report, Cotton consumption in India is expected to be remain strong until September.
- **Weekly Outlook:** Cotton prices will move higher in coming days as there is a threat of crop loss in major cotton growing states, which could lead to supply deficit.

International Market

- India and Bangladesh are in final stage for signing multi bale trade agreement, where India has assured 2 million bales of cotton to Bangladesh in season 2013/14.
- Pakistan total textile exports rose by 11% to USD 1.21 billion this year.
- As per USDA report, the world cotton stock in 2013/14 would reach to 93.8 million bales, 7.4 million bales higher than previous season.
- USDA lowers the forecast for 2013/14 world cotton production to 116.4 million bales, which is 1.6 million bales below the previous month's projection.

Cotton Prices at Key Spot Markets:

Centre	Variety	Prices (Rs/Qtl)		%Change
		23/08/2013	16/08/2013	
Amravati	Mech-1	5800	5750	0.87
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	5870	6060	-3.14
Fazilika*	B.T. Cotton	4800	4815	-0.31
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	5000	4600	8.70
Bhiwani	B.T. Cotton	5850	5650	3.54
Sirsa	B.T. Cotton	4900	4850	1.03
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5815	-	-
Sri-Ganganagar	J-34	Closed	4750	-
Abohar	J-34	4915	4925	-0.20
Muktsar	J-34	4925	4925	Unch

* New Crop

Cotton Arrivals in Key Centers

Centre	Variety	Arrivals		%Change
		23/08/2013	16/08/2013	
Amravati	Mech-1	1650	2050	-19.51
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	2960	2660	11.28
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	122	80	52.50
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
				22-Aug-13	14-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39500	39500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40400	Unch
J-34(202)	26mm	3.5 - 4.9	23	44000	43100	2.09
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47000	44800	4.91
Shankar-6(105)	29mm	3.5 - 4.9	28	46900	45100	3.99
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48200	46100	4.56
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49000	46800	4.70
DCH-32(107)	34mm	3.0 - 3.8	33	55000	54300	1.29

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	4888.2	4602.83	4559.08	6.2	7.22
Gujarat	5527.13	5292.73	4423.91	4.43	24.94
Haryana	5100	5188.98	4613.32	-1.71	10.55
Karnataka	4790.54	4680.9	4597.06	2.34	4.21
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	5525.25	5089.68	5056.98	8.56	9.26
Average	4942.14	4440.71	4338		

*Report Generation: As per the data reported by APMCs

(Source: Agmarket)

Cotton Exports

Cotton Exports(In Lakh Bales)		
Month	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	2.06
Aug	0.48	-
Sep	0.61	-
Total	126.65	89.4

Cotton Imports

Cotton Imports(In Lakh Bales)		
Month	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	1.1
Aug	0.63	-
Sep	1.98	-
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

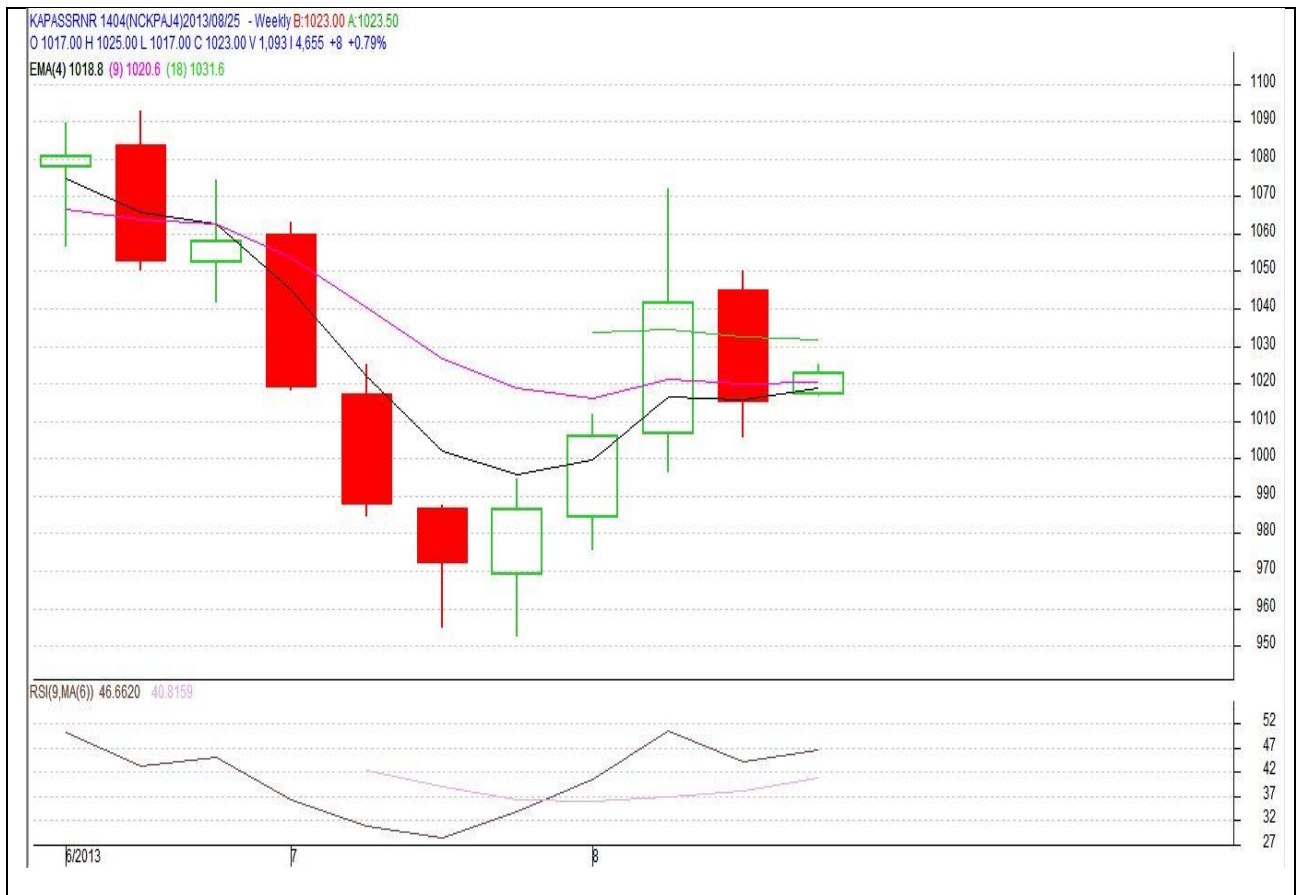
World Monthly average Cotlook A Index (FE) in US Cent per pound		
Month	2011-12	2012-13
August	114.1	84.4
September	116.9	84.15
October	110.61	82.17
November	104.75	80.87
December	95.45	83.37
January	101.11	85.51
February	100.75	89.71
March	99.5	94.45
April	100.1	94.94
May	88.79	94.92
June	82.18	93.35
July	83.97	92.6

Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	23/08/2013	23/07/2013	23/08/2012	% Month change	%Y-o-Y change
Oct-13	37135.28	37915.55	35160.37747	-2.06	5.62
Dec-13	37064.75	37765.67	—	-1.86	
Mar-14	36809.07	37047.12	—	-0.64	
May-14	36654.78	36729.72	—	-0.20	
July-14	36465.23	36496.08	—	-0.08	
Oct-14	34322.81	34723.96	—	-1.16	

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

Technical Analysis of Cotton Futures April 2014 contract at NCDEX



- Prices are showing upward movement showing support of 1016.
- Immediate support could be seen at 1020, prices could further move down to 1025.
- Our short term outlook on the contract is bullish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
1025	1020	1030	1035

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	1020-1035	Bullish Momentum

ICE Cotton Futures (October 2013 Contract) Technical Analysis



October 2013 Contract of ICE futures closed on down side. Prices ranged 83 to 93 during the week. Immediate support level is at 82, which could further may move down to 80.

Support 2	Support 1	Resistance 1	Resistance 2
80	82	92	94

All in cents/pound

Source: MRCI

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