

### Domestic Market

- India's cotton production in 2013-14 is expected to reach 35.8 million bales, 5.7% above from previous season.
- Cotton export is expected to remain flat at around 100 lakh bales (170 kg each) amid sluggish demand from china in 2013-14
- Cotton Area sown till date is approximately 111.65 lakh hectares compared to previous year's 112.83 lakh hectares during the same period.
- Cotton harvest is likely to be delayed by 15 days due to heavy rains in cotton growing regions.
- **Weekly Outlook:** Cotton prices will move higher in coming days as there is delay in harvest, crop loss in major cotton growing regions and export demands.

### International Market

- China government is planning to buy cotton, which can curb the drop in prices.
- Cotton ICE future rose to 83.24 cents, 11% high from previous 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
		30.8-2013	23.8-2013	
Amravati	Mech-1	6100	5800	5.17
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	Closed	5870	-
Fazilika*	B.T. Cotton	4825	4800	0.52
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	4850	5000	-3.00
Bhiwani	B.T. Cotton	5800	5850	-0.85
Sirsa	B.T. Cotton	5060	4900	3.27
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	Closed	5815	-
Sri-Ganganagar	J-34	Closed	Closed	-
Abohar	J-34	5060	4915	2.95
Muktsar	J-34	5100	4925	3.55

\* New Crop

**Cotton Arrivals in Key Centers**

Centre	Variety	Arrivals		%Change
		30.8.2013	23.8.2013	
Amravati	Mech-1	1300	1650	-21.21
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	250	2960	-91.55
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	No Arrival	122	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
				29-Aug-13	22-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40400	39500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40400	Unch
J-34(202)	26mm	3.5 - 4.9	23	45100	44000	2.09
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	49300	47000	4.91
Shankar-6(105)	29mm	3.5 - 4.9	28	49000	46900	3.99
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	50000	48200	4.56
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50800	49000	4.70
DCH-32(107)	34mm	3.0 - 3.8	33	56500	55000	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	5006.76	4608.29	4559.08	8.65	9.82
Gujarat	5475.73	5292.73	4423.91	3.46	23.78
Haryana	5190.11	5188.98	4613.32	0.02	12.5
Karnataka	4882.28	4680.9	4597.06	4.3	6.2
Madhya Pradesh		4000	4868.02	—	—
Maharashtra		3899.41	4088.73	—	—
Orissa		4000	3400	—	—
Pondicherry	3149.51	2632	3036.28	19.66	3.73
Punjab			4235.17	—	—
Rajasthan	4972.43	5020.55	4839.4	-0.96	2.75
Tamil Nadu	5472.35	5089.68	5056.98	7.52	8.21
Average	4878.45	4441.25	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	-
<b>Total</b>	<b>126.65</b>	<b>89.4</b>

**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	-
<b>Total</b>	<b>7.45</b>	<b>9.8</b>

**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	2012-13	2013-14
<b>August</b>	84.4	92.5
<b>September</b>	84.15	
<b>October</b>	82.17	
<b>November</b>	80.87	
<b>December</b>	83.37	
<b>January</b>	85.51	
<b>February</b>	89.71	
<b>March</b>	94.45	
<b>April</b>	94.94	
<b>May</b>	94.92	
<b>June</b>	93.35	
<b>July</b>	92.6	

### Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	02/09/2013	02/08/2013	31/08/2012	% Month change	%Y-o-Y change
<b>Oct-13</b>	36897.24	37611.38	35596.8	-1.90	<b>3.6</b>
<b>Dec-13</b>	36804.66	37461.50	—	-1.75	
<b>Mar-14</b>	36474.04	36663.60	—	-0.52	
<b>May-14</b>	36452.00	36482.86	—	-0.08	
<b>July-14</b>	36438.78	36315.34	—	0.34	
<b>Oct-14</b>	34419.79	34499.14	—	-0.23	

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

**Technical Analysis of Cotton Futures April 2014 contract at NCDEX**


- Prices are showing upward movement showing support of 1032.
- Immediate support could be seen at 1036, prices could further move up to 1040.
- Our short term outlook on the contract is bullish.

**Support and Resistance:**

Support 2	Support 1	Resistance 1	Resistance 2
1036	1040	1055	1060

**Expected Price range of Cotton Prices for next week**

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	1035-1055	Bullish Momentum

**ICE Cotton Futures (October 2013 Contract) Technical Analysis**


October 2013 Contract of ICE futures closed sideways. Prices ranged 83 to 86 during the week. Immediate support level is at 82, which could further move up to 84.

Support 2	Support 1	Resistance 1	Resistance 2
82	84	86	88

All in cents/pound

Source: MRCI

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