

Domestic Market

- India's cotton production in 2013-14 is expected to reach around 38 million bales, 11.7% higher than 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 113.12 lakh hectares compared to previous year's 113.46 lakh hectares during the same period.
- Cotton import in 2012-13 has slightly increased as there was crop loss in the season.
- **Weekly Outlook:** Cotton prices will move higher in coming days as there lesser stocks available in the market.

International Market

- USDA lowers the forecast for 2013/14 world cotton production to 116.4 million bales, which are 1.6 million bales below the previous month's projection.
- China government is planning to buy cotton, which can curb the drop in prices.
- 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 prices in Pakistan are expected to remain higher as there is crop loss and damage due to heavy rain.
- Global cotton stockpiles in 2013-14 will be 7% higher than this year, as reported by International cotton advisory committee.

Cotton Prices at Key Spot Markets:

Centre	Variety	Prices (Rs/Qtl)		%Change
		6-Sep-13	30-Aug-13	
Amravati	Mech-1	6250	6100	2.46
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	6180	Closed	-
Fazilika	B.T. Cotton	4850	4825	0.52
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	4500	4850	-7.22
Bhiwani*	B.T. Cotton	5200	5800	-10.34
Sirsa	B.T. Cotton	4900	5060	-3.16
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	6005	Closed	-
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar	J-34	4860	5060	-3.95
Muktsar	J-34	4950	5100	-2.94

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		%Change
		6-Sep-13	30-Aug-13	
Amravati	Mech-1	900	1650	-45.45
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	910	2960	-69.26
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani	B.T. Cotton	No Arrival	No Arrival	-
Bhiwani*	B.T. Cotton	No Arrival	No Arrival	-
Sirsa	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	163	122	33.61
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./ Candy	Rs./Candy	Change
				5-Sep-13	29-Aug-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39400	40400	-2.48
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39900	40900	-2.44
J-34(202)	26mm	3.5 - 4.9	23	44600	45100	-1.11
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	48500	49300	-1.62
Shankar-6(105)	29mm	3.5 – 4.9	28	48600	49000	-0.82
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49500	50000	-1.00
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50400	50800	-0.79
DCH-32(107)	34mm	3.0 - 3.8	33	57500	56500	1.77

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 September, 2013	Prices August, 2013	Prices September, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	5451.71	5022.56	4204.5	8.54	29.66
Gujarat	5779.45	5475.8	3729.63	5.55	54.96
Haryana	5301	5190.11	3902.42	2.14	35.84
Karnataka	5048.53	4842.26	4240.64	4.26	19.05
Madhya Pradesh	3450		3380.08	—	2.07
Maharashtra			3769.42	—	—
Pondicherry	1709	3149.51	3049.42	-45.74	-43.96
Punjab	4866.08		3655.37	—	33.12
Rajasthan	4775.51	4900.51	3143.74	-2.55	51.91
Tamil Nadu	5426.37	5472.14	3835.25	-0.84	41.49
Uttar Pradesh	4135.56		4440.81	—	-6.87
Average	4594.32	4864.7	3759.21		
*Report Generation: As per the data reported by APMCs					

(Source: Agmarket)

Cotton Export and Import:

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	2.5
Sep	0.61	-
Total	126.65	91.9

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	1.01
Sep	1.98	-
Total	7.45	10.81

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

Country	Quantity (In Lakh Bales)
Bangladesh	1.10
China	0.71
Pakistan	0.16
Vietnam	0.15
Indonesia	0.04

(Source: IBIS)

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

Country	Quantity (In Lakh Bales)
Mali	0.35
USA	0.14

(Source: IBIS)

International Prices

World Monthly average Cotlook A Index (FE) in US Cent per pound		
Month	2012-13	2013-14
August	84.4	92.5
September	84.15	
October	82.17	
November	80.87	
December	83.37	
January	85.51	
February	89.71	
March	94.45	
April	94.94	
May	94.92	
June	93.35	
July	92.6	

Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	06/09/2013	06/08/2013	06/09/2012	% Month change	%Y-o-Y change
Oct-13	36694.46	37831.79	35332.30008	-3.01	3.86
Dec-13	36681.23	37774.48	--	-2.89	
Mar-14	36407.92	36976.59	--	-1.54	
May-14	36447.59	36831.11	--	-1.04	
July-14	36474.04	36659.19	--	-0.51	
Oct-14	34697.51	34820.94	--	-0.35	

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

Cotton Futures:

Technical Analysis of Cotton Futures April 2014 contract at NCDEX



- Prices are showing sideways movement showing support of 1016.
- Immediate support could be seen at 1020 which could further move higher up to 1025
- Our short term outlook on the contract is bullish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
1020	1025	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	1035-1055	Bullish Momentum

ICE Cotton Futures (October 2013 Contract) Technical Analysis



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

We expect price to move higher in near term.

Support 2	Support 1	Resistance 1	Resistance 2
83	84	86	88

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.