

Domestic Market

- India's cotton production in 2013-14 is expected to reach around 37 millions bales (170 kg each).
- One third of cotton this year is expected to be produced by Gujarat which is around 12 lakh bales, Andhra Pradesh is expected to produce 7.5 million bales of cotton whereas Maharashtra will produce 7 million bales of cotton.
- Cotton area sown till date is 113.50 lakh hectares whereas it was 114.44 lakh hectare last year 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 active trading reported in the market amid commencement of the cotton season (Beginning from October) and new arrivals.

International Market

- World cotton production is expected to be 0.9% higher than the previous projections as India and Brazil are showing better production prospects.
- 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.
- Entrepreneurs of USA are seeking export potential for their cotton to Vietnam, as it has emerged as one of the major cotton importing nations.
- 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
		13-Sep-13	6-Sep-13	
Amravati	Mech-1	No Arrival	6250	-
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	6140	6180	-0.65
Fazilika*	B.T. Cotton	4560	4850	-5.98
Fazilika*	B.T. Cotton(Narma)	4800	No Arrival	-
Bhiwani	B.T. Cotton	4750	4500	5.56
Bhiwani*	B.T. Cotton	5000	5200	-3.85
Sirsa	B.T. Cotton	4850	4900	-1.02
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	5875	6005	-2.16
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	4600	4860	-5.35
Muktsar	J-34	No Arrival	4950	-

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		13-Sep-13	6-Sep-13	
Amravati	Mech-1	No Arrival	900	-
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	1390	910	52.75
Fazilika	B.T. Cotton	No Arrival	No Arrival	-
Fazilika*	B.T. Cotton	40	No Arrival	-
Bhiwani*	B.T. Cotton	500	No Arrival	-
Sirsa	B.T. Cotton	No Arrival	No Arrival	-
Ahmedabad	Shankar-6	No Arrival	No Arrival	-
Gondal	Shankar-6	338	163	107.36
Sri-Ganganagar	J-34	No Arrival	No Arrival	-
Abohar*	J-34	200	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
				12-Sep-13	5-Sep-13	
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39400	39400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39900	39900	Unch
J-34(202)	26mm	3.5 - 4.9	23	43600	44600	-2.24
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	47100	48500	-2.89
Shankar-6(105)	29mm	3.5 – 4.9	28	47400	48600	-2.47
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48100	49500	-2.83
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49200	50400	-2.38
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57500	Unch

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	5292.88	5022.56	4204.5	5.38	25.89
Gujarat	5687.66	5478.11	3729.63	3.83	52.5
Haryana	4926.27	5190.11	3902.42	-5.08	26.24
Karnataka	5135.99	4842.26	4240.64	6.07	21.11
Madhya Pradesh	5085.46		3380.08	—	50.45
Maharashtra			3769.42	—	—
Pondicherry	2530	3149.51	3049.42	-19.67	-17.03
Punjab	4908.8		3655.37	—	34.29
Rajasthan	4801.89	4900.51	3143.74	-2.01	52.74
Tamil Nadu	5270.93	5472.14	3835.25	-3.68	37.43
Uttar Pradesh	4387.72		4440.81	—	-1.2
Average	4802.76	4865.03	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	13/09/2013	13/08/2013	13/09/2012	% Month change	%Y-o-Y change
Oct-13	37562.89	40375.36	34265.49826	-6.97	9.62
Dec-13	37232.27	40432.67	--	-7.92	
Mar-14	37100.02	39454.03	--	-5.97	
May-14	36906.05	38836.88	--	-4.97	
July-14	36685.64	38343.15	--	-4.32	
Oct-14	34768.04	35967.09	--	-3.33	

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

Cotton Futures:

Technical Analysis of Cotton Futures April 2014 contract at NCDEX



- Prices are showing sideways to bullish movement showing support of 1019.
- 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
1025	1025	1040	1045

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	1020-1040	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 84, which could further move up to 85.

We expect price to move higher in near term.

Support 2	Support 1	Resistance 1	Resistance 2
84	85	87	88

All in cents/pound

Source: MRCI

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