

Domestic Market

- Cotton corporation of India (CCI) has announced that if need arises, it is ready to buy cotton at minimum support price.
- Maharashtra State Cotton Growers Cooperative Marketing Federation will start procurement of cotton from this week.
- Cotton production this year would be around 37.5 million bales according to Cotton advisory board (CAB) estimates.
- Area under cotton production this year has declined to 11.5 million hectares, whereas it was 11.9 million hectares last year.
- Yield of cotton during this season (2013-14) has been estimated around 520 kg. per hectares whereas it was 489 kg. per hectare last season.
- Agriculture minister, Sharad Pawar along with a group of minister (GoM) has rejected the textile ministry proposal of imposing duty of 10% on export of cotton beyond a declared exportable surplus.
- **Weekly Outlook:** Prices ruled lower amid good production prospects this season, but are likely to notice firm tone after Diwali as demands are about to revive.

International Market

- World cotton stockpiles next year would be around 19.81 million tones, 7% bigger than what was estimated in July this year, as reported by ICAC.
- Cotton imports in China are likely to decline by 20%, as reported by market participants.
- According to the USDA estimates, global production is expected to decline, majorly because of fall in production in China and USA.
- Major exporters this year would be United States, India and Australia followed by Uzbekistan, Brazil and Mali as per USDA estimates.
- International Prices during the initial two month of season (Aug-Jul) remained higher compared to initial months of last two year.
- Fall in prices due to decline in import from china would be compensated slightly by the global production deficit, which would maintain the international prices at moderate to higher level.

Cotton Prices at Key Spot Market:

Centre	Variety	Prices (Rs/Qtl)		Change %
		8-Nov-13	1-Nov-13	
Amravati	Mech-1	4400	4400	Unch
Khandwa	Mech-1	4800	No Arrival	-
Khargaon	Mech-1	4800	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	5000	5100	-1.96
Muktsar	B.T. Cotton	5400	5300	1.89
Patan	B.T. Cotton	Closed	Closed	-
Rajkot	B.T. Cotton	5025	5050	-0.50
Fazilika*	B.T. Cotton(Narma)	5375	5210	3.17
Bhiwani	B.T. Cotton	4580	4500	1.78
Bhiwani*	B.T. Cotton	5450	5400	0.93
Sirsa	B.T. Cotton	4350	4425	-1.69
Ahmedabad	Shankar-6	5000	4900	2.04
Gondal	Shankar-6	5015	5105	-1.76
Sri-Ganganagar	J-34	4350	4400	-1.14
Abohar*	J-34	4480	4500	-0.44
Muktsar	J-34	4470	4500	-0.67
Fazilika*	J-34	4550	4550	Unch
Bhatinda	J-34	4475	4590	-2.51
Mansa	J-34	4470	4500	-0.67

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change %
		8-Nov-13	1-Nov-13	
Amravati	Mech-1	14000	26500	-47.17
Khandwa	Mech-1	2800	No Arrival	-
Khargaon	Mech-1	14000	No Arrival	-
Mahesana(Kadi)	B.T. Cotton	120000	175000	-31.43
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	Closed	74560	-
Rajkot	B.T. Cotton	4550	33600	-86.46
Fazilika*	B.T. Cotton	1900	10000	-81.00
Bhiwani*	B.T. Cotton	4400	14500	-69.66
Sirsa	B.T. Cotton	1700	5400	-68.52
Ahmedabad	Shankar-6	15000	104000	-85.58
Gondal	Shankar-6	3732	15381	-75.74
Sri-Ganganagar	J-34	2700	9500	-71.58
Abohar*	J-34	1700	10132	-83.22
Muktsar	J-34	374	2380	-84.29
Bhatinda	J-34	30600	144500	-78.82
Mansa	J-34	765	3910	-80.43

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change %
				7-Nov-13	31-Oct-13	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	40300	40300	Unch
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	41300	41400	-0.24
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	--
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39700	40700	-2.46
Shankar-6(105)	29mm	3.5 - 4.9	28	40600	41000	-0.98
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40800	41900	-2.63
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41200	42400	-2.83
DCH-32(107)	34mm	3.0 - 3.8	33	53000	53000	Unch

Fundamental Cotton Price Outlook for Coming Week

We expect cotton prices to witness sideways momentum in coming days.

State Wise Comparisons (in Rs/Qtl)

State	Prices November, 2013	Prices October, 2013	Prices November, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4245.39	4508.9	3884.7	-5.84	9.28
Gujarat	4938.85	4633.2	4187.52	6.6	17.94
Haryana	5298.09	5053.22	4397.54	4.85	20.48
Karnataka		4792.02	4101.42	—	—
Madhya Pradesh	4100	4719.56	4089.82	-13.13	0.25
Maharashtra		4407.42	3992.22	—	—
Orissa		4030.3	3871.3	—	—
Pondicherry			2229	—	—
Punjab	5328.75	4733.5	4264.08	12.58	24.97
Rajasthan	5124.51	5086.22	4601.95	0.75	11.36
Tamil Nadu	4506.92	4550.41	4960.44	-0.96	-9.14
Uttar Pradesh		4639.9	4618.6	—	—
Uttrakhand		10357		—	—
Average	4791.79	5125.97	4099.88		

*Report Generation: As per the data reported by APMCs

(Source: Agmarket)

Cotton Export and Import:

Cotton Exports

Cotton Exports(In Lakh Bales)		
Month	2012-13	2013-14
Oct	2.29	1.43
Nov	7.68	
Dec	15.83	
Jan	19.71	
Feb	20.67	
Mar	13.07	
Apr	2.50	
May	2.58	
Jun	3.01	
Jul	2.06	
Aug	2.5	
Sep	1.22	
Total	93.12	

Cotton Imports

Cotton Imports(In Lakh Bales)		
Month	2012-13	2013-14
Oct	3.30	1.16
Nov	1.98	
Dec	0.88	
Jan	0.63	
Feb	0.56	
Mar	0.55	
Apr	0.76	
May	0.80	
Jun	0.05	
Jul	1.1	
Aug	1.01	
Sep	0.99	
Total	12.61	

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

Country	Quantity (In Lakh Bales)
China	0.68
Bangladesh	0.52
Hong Kong	0.06
Pakistan	0.03
Indonesia	0.02

(Source: IBIS)

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

Country	Quantity (In Lakh Bales)
Mali	0.27
Cote D Ivoir	0.20

(Source: IBIS)

International Prices

World Monthly average Cotlook A Index (FE) in US Cent per pound		
Month	2012-13	2013-14
August	84.4	92.58
September	84.15	90.09
October	82.17	89.49
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	92.62	

Cotton Future Contracts on ICE (International Market)

ICE Futures Cotton					
Contracts	01/11/2013	01/10/2013	01/11/2012	% Month change	%Y-o-Y change
Oct-13	33890.80	36231.59	32682.92861	-6.46	3.70
Dec-13	34666.65	36892.83	32868.08	-6.03	5.47
Mar-14	34970.82	37095.61	0.00	-5.73	
May-14	35252.95	37064.75	0.00	-4.89	
July-14	33837.90	36963.36	0.00	-8.46	
Oct-14	33762.96	35200.05	0.00	-4.08	

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

Cotton Futures:

Technical Analysis of Cotton Futures April 2014 contract at NCDEX



- NCDEX April contract remained sideways to weak over the sentiments of good production this year.
- Price range during the week was Rs 943.5-969.5(per 20 kg.).
- Immediate support could be seen at 945 which could slide down to 940.
- Resistance would be at 965 which could further move up to 970.

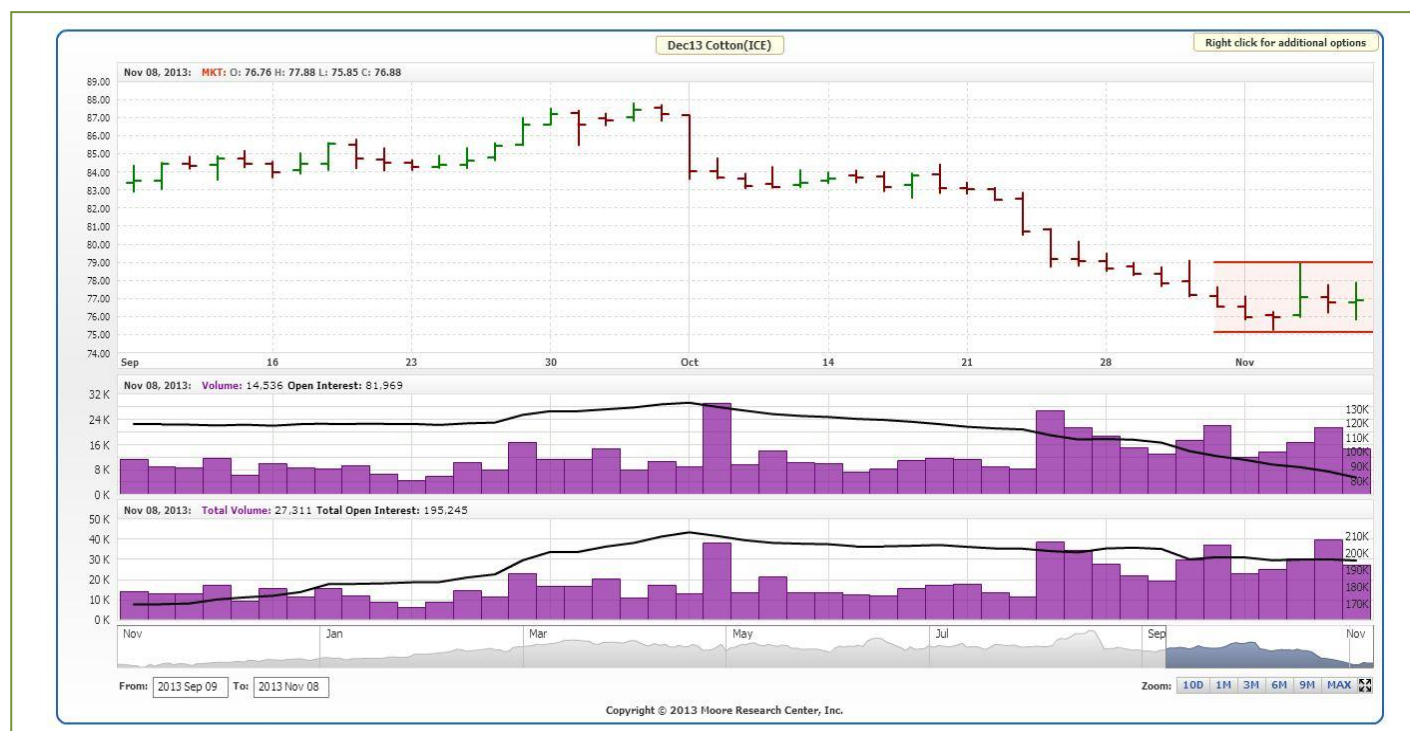
Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
940	945	965	970

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	940-970	Sideways Momentum

ICE Cotton Futures (October 2013 Contract) Technical Analysis



- ICE October 2013 future contract closed lower.
- Prices ranged 75-79 during the week.
- Immediate support level is at 75 which could further move down to 74.
- We expect price to rule sideways.

Support 2	Support 1	Resistance 1	Resistance 2
74	75	78	79

All in cents/pound

Source: MRCI

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