

Domestic Market

- Cotton production this season (2013-14) would be 353 lakh bales according to the DAC (Department of Agriculture and Cooperation) first estimates.
- Maharashtra State Cotton Growers Cooperative Marketing Federation will start procurement of cotton from this week.
- Weather conditions at present are good enough for the cotton harvesting, leading to the heavy arrivals sentiments.
- 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.

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 %
		15-Nov-13	8-Nov-13	
Amravati	Mech-1	4400	4400	Unch
Khandwa	Mech-1	Closed	4800	-
Khargaon	Mech-1	Closed	4800	-
Mahesana(Kadi)	B.T. Cotton	5000	5000	Unch
Muktsar	B.T. Cotton	5280	5400	-2.22
Patan	B.T. Cotton	4500	Closed	-
Rajkot	B.T. Cotton	5000	5025	-0.50
Fazilika*	B.T. Cotton(Narma)	5215	5375	-2.98
Bhiwani	B.T. Cotton	4200	4580	-8.30
Bhiwani*	B.T. Cotton	5270	5450	-3.30
Sirsa	B.T. Cotton	4250	4350	-2.30
Ahmedabad	Shankar-6	4950	5000	-1.00
Gondal	Shankar-6	Closed	5015	-
Sri-Ganganagar	J-34	4250	4350	-2.30
Abohar*	J-34	4360	4480	-2.68
Muktsar	J-34	4375	4470	-2.13
Fazilika*	J-34	4390	4550	-3.52
Bhatinda	J-34	4345	4475	-2.91
Mansa	J-34	4375	4470	-2.13

* New Crop

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change %
		15-Nov-13	8-Nov-13	
Amravati	Mech-1	26000	14000	85.71
Khandwa	Mech-1	5000	2800	78.57
Khargaon	Mech-1	17000	14000	21.43
Mahesana(Kadi)	B.T. Cotton	325000	120000	170.83
Muktsar	B.T. Cotton	No Arrival	No Arrival	-
Patan	B.T. Cotton	116260	Closed	-
Rajkot	B.T. Cotton	39750	4550	773.63
Fazilika*	B.T. Cotton	6300	1900	231.58
Bhiwani*	B.T. Cotton	6800	4400	54.55
Sirsa	B.T. Cotton	7650	1700	350.00
Ahmedabad	Shankar-6	190000	15000	1166.67
Gondal	Shankar-6	8679	3732	132.56
Sri-Ganganagar	J-34	10500	2700	288.89
Abohar*	J-34	7820	1700	360.00
Muktsar	J-34	1955	374	422.73
Bhatinda	J-34	144500	30600	372.22
Mansa	J-34	4080	765	433.33

* New Crop

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change %
				14-Nov-13	7-Nov-13	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	41600	40300	3.23
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	42600	41300	3.15
J-34(202)	26mm	3.5 - 4.9	23	NQ	NQ	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39800	39700	0.25
Shankar-6(105)	29mm	3.5 - 4.9	28	40500	40600	-0.25
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40900	40800	0.25
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41200	41200	0.00
DCH-32(107)	34mm	3.0 - 3.8	33	54000	53000	1.89

Fundamental Cotton Price Outlook for Coming Week

We expect cotton prices to witness sideways to bearish 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	4178.43	4504.6	3884.7	-7.24	7.56
Gujarat	4692.3	4639.95	4187.52	1.13	12.05
Haryana	5240.13	5057.36	4397.54	3.61	19.16
Karnataka	4577.49	4792.02	4101.42	-4.48	11.61
Madhya Pradesh	4684.72	4704.88	4089.82	-0.43	14.55
Maharashtra	4485.89	4404.9	3992.22	1.84	12.37
Orissa		4030.3	3871.3	—	—
Pondicherry			2229	—	—
Punjab	4399.23	4734.16	4264.08	-7.07	3.17
Rajasthan	5097.86	5085.73	4601.95	0.24	10.78
Tamil Nadu	5124.63	4550.41	4960.44	12.62	3.31
Uttar Pradesh	5392.86	4639.9	4618.6	16.23	16.76
Uttarakhand		10357		—	—
Average	4787.35	5125.1	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
Dec-13	33996.59	36901.64	33467.60102	-7.87	0.77
Mar-14	34472.69	37333.66	0.00	-7.66	
May-14	34697.51	37523.21	0.00	-7.53	
July-14	34953.19	37483.54	0.00	-6.75	
Oct-14	33912.84	35698.19	0.00	-5.00	
Dec-14	33740.91	35274.99	0.00	-4.35	

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

Cotton Futures:

Technical Analysis of Cotton Futures April 2014 contract at NCDEX



- NCDEX April contract remained weak over the sentiments of good production this year.
- Price range during the week was Rs. 941-962.5(per 20 kg.).
- Immediate support could be seen at 935 which could slide down to 930.
- Resistance would be at 965 which could further move up to 970.

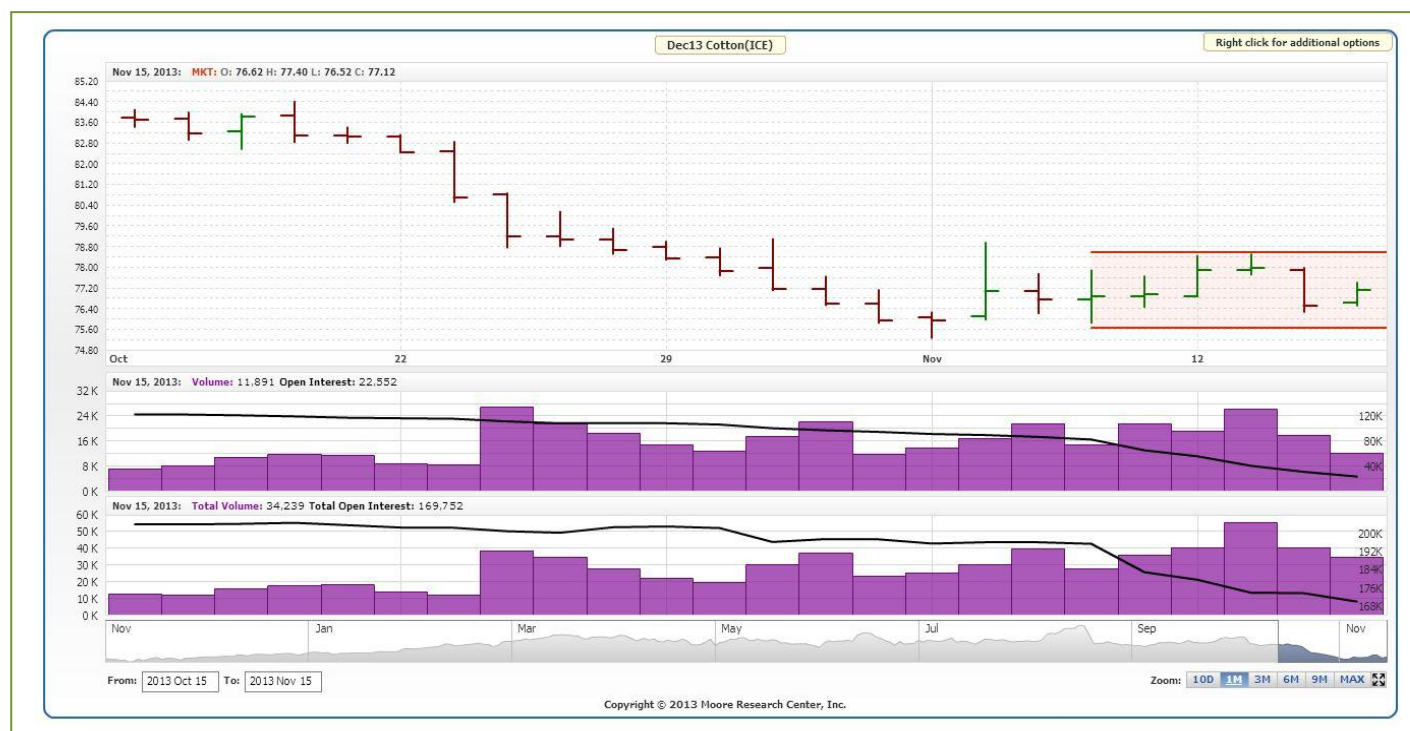
Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
930	935	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	930-970	Sideways to Bearish Momentum

ICE Cotton Futures (October 2013 Contract) Technical Analysis



- ICE October 2013 future contract closed sideways.
- Prices ranged 75-79 during the week.
- Immediate support level is at 75 which could further move down to 73.
- We expect price to rule sideways.

Support 2	Support 1	Resistance 1	Resistance 2
73	75	78	80

All in cents/pound

Source: MRCI

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