

DOMESTIC MARKET OUTLOOK

CCI (Cotton Corporation of India) offers to sell around 8324.66 quintals of damaged cotton seed and around 694.21 quintals of damaged Kapas of previous season (2012-13).

Cotton output in Andhra Pradesh is expected to be down at 6.5 million bales, which were earlier estimated 7.5-8 million bales, reason for the same are the heavy rains in late October-November.

According to a survey, around 93% of the cotton sown in country was BT cotton. Reason for the same is higher yield expectation associated with the variety.

Area under the cotton cultivation, according to Ministry of Agriculture, stood 114.67 lakh hectares this season (2013-14), compared to 117.29 lakh hectares last season. Reason for the decline in the same is high labor cost, low yield and high risk associated with the crop.

Production of cotton this season (2013-14) would be 353 lakh bales according to the DAC (Department of Agriculture and Cooperation) first estimates.

Yield this season is likely to be around 523 kg. per hectare, though earlier it was expected bigger than current but consequences in later stages has affected it drastically.

INTERNATIONAL MARKET OUTLOOK

Acreage of cotton could increase in Texas, one of the major growers of cotton in USA, as the prices of Wheat, Corn and Sorghum have faced stiff downfall.

Beijing has adjusted its formula for calculating tariff for cotton import, which could make the cost of import of cotton in China slightly higher.

As per the USDA estimates, following Sentiments are available as on global forefront:

Global Production is likely to be around 25.43 million tones, with China's contribution of 6.96 million tones.

Total consumption would be around 23.88 million tones, major consumer would be China, India, Pakistan, Turkey and Brazil.

Export would stand around 8.38 million tones, majorly contributed by United States, India, Australia followed by Uzbekistan and Brazil.

Import figure would be around 8.32 million tones, major importing nations would be China, Turkey, Bangladesh followed by Vietnam and Indonesia.

Ending Stock is likely to be around 20.99 million tones with China ending stock of 12.47 million tones.

COTTON PRICES AND ARRIVALS

Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change %
		20-Dec-13	13-Dec-13	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4400	4400	Unch
Khandwa	Mech-1	4750	NR	-
Khargaon	Mech-1	4750	NR	-
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	5050	4900	3.06
Rajkot	B.T. Cotton	4985	4900	1.73
Patan	B.T. Cotton	5000	4865	2.77
Muktsar	B.T. Cotton	5000	5100	-1.96
Fazilika	B.T. Cotton	5110	5070	0.79
Bhiwani	B.T. Cotton	5125	5100	0.49
	Kapas	(Rs./Qtl.)		
Ahmedabad	Shankar-6	5000	4900	2.04
Gondal	Shankar-6	5000	4830	3.52
	Lint	(Rs./Maund Unchf 37.32kg each)		
Abohar	J-34	4220	4130	2.18
Muktsar	J-34	4210	4125	2.06
Fazilika	J-34	4200	4145	1.33
Bhatinda	J-34	4225	4130	2.30
Mansa	J-34	4210	4130	1.94
Sirsa	J-34	4100	4040	1.49
Sri-Ganganagar	J-34	3882	3817	1.70

Centre	Variety	Arrivals (Qtl)		Change %
		20-Dec-13	13-Dec-13	
Amravati	Mech-1	64500	60000	7.50
Khandwa	Mech-1	2000	NR	-
KhargaUnchn	Mech-1	10000	NR	-
Mahesana(Kadi)	B.T. Cotton	265000	235000	12.77
Rajkot	B.T. Cotton	28900	27300	5.86
Patan	B.T. Cotton	53347	54828	-2.70
Muktsar	B.T. Cotton	2890	2465	17.24
Fazilika	B.T. Cotton	9100	5900	54.24
Bhiwani	B.T. Cotton	6200	3000	106.67
Ahmedabad	Shankar-6	612000	467500	30.91
Gondal	Shankar-6	8029	8224	-2.37
Abohar	J-34	11050	7990	38.30
Bhatinda	J-34	224400	153000	46.67
Mansa	J-34	9350	5100	83.33
Sirsa	J-34	16490	14450	14.12
Sri-Ganganagar	J-34	47600	23800	100

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change %
				19-Dec-13	12-Dec-13	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	38000	39000	-2.56
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	38500	40000	-3.75
J-34(202)	26mm	3.5 - 4.9	23	38000	37400	1.60
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38300	38000	0.79
Shankar-6(105)	29mm	3.5 – 4.9	28	39400	38800	1.55
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39900	39300	1.53
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42000	41300	1.69
DCH-32(107)	34mm	3.0 - 3.8	33	64500	64000	0.78

STATE WISE PRICES AND ARRIVALS

State-wise Prices (Rs./Qtl)

State	Prices December, 2013	Prices November, 2013	Prices December, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4164.8	4150.35	3847.93	0.35	8.23
Chattisgarh	4994.02			—	—
Gujarat	4661.83	4653.82	4158.12	0.17	12.11
Haryana	4950.16	5144.15	4247.03	-3.77	16.56
Karnataka	4995.23	4815.38	4169.13	3.73	19.81
Madhya Pradesh	4592.1	4673.34	4053.51	-1.74	13.29
Maharashtra	4510.47	4541.23	3951.67	-0.68	14.14
Orissa	4172.9	4135	3902.21	0.92	6.94
Punjab	4917.3	4877.22	4182.12	0.82	17.58
Rajasthan	5081.9	5084.26	4336.51	-0.05	17.19
Tamil Nadu	4966.4	4796.42	4453.29	3.54	11.52
Uttar Pradesh	5404.55	5392.86	4192.73	0.22	28.9
Average	4784.31	4751.28	4135.84		

*Report Generation: As per the data reported by APMCs

(Source: Agmarket)

State-wise Arrivals (in Quintals)

States	Production as per CAB	2012-13*	2012-13	
		Arrivals As on	Production as per CAB	Arrivals As on
		15-12-2013	1-11-2013	15-12-2012
1. Punjab	21	3.82	20	5.03
2. Haryana	23	5.47	24	5.98
3. Rajasthan	14	2.82	16	4.2
A. North Total (1+2+3)	58	12.11	60	15.21
4. Gujarat	116	24.71	87	14.8
5. Maharashtra	81	13.41	74	13.24
6. Madhya Pradesh	19	4.32	18	4.2
B. Central Total (4+5+6)	216	42.44	179	32.24
7. Andhra Pradesh	72	12.67	76	17.25
8. Karnataka	18	3.64	13	2.65
9. Tamil Nadu	5	--	6	--
C. South Total (7+8+9)	95	16.31	95	19.9
10. Orissa	4	0.21	4	0.47
11. Others	2	0.28	2	0.53
D. Total (10+11)	6	0.49	6	1
Grand Total (A+B+C+D)	375	71.35	340	68.35

* Inclusive of new crop arrivals in September 2013

COTTON EXPORT AND IMPORT

Cotton Exports

Cotton Exports(In Lakh Bales)		
Month	2012-13	2013-14
Oct	2.29	1.43
Nov	7.68	9.06
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	10.49

Cotton Imports

Cotton Imports(In Lakh Bales)		
Month	2012-13	2013-14
Oct	3.30	1.16
Nov	1.98	0.24
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	1.4

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

Country	Quantity (In Lakh Bales)
China	7.83
Bangladesh	0.57
Hong Kong	0.24
Vietnam	0.21
Thailand	0.05

(Source: IBIS)

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

Country	Quantity (In Lakh Bales)
USA	0.03
Cote D Ivoire	0.05
Tanzania	0.03
Pakistan	0.03
Burkina Faso	0.03

(Source: IBIS)

INTERNATIONAL PRICES

World Monthly Average Cotlook A Index (FE) in US cents per pound

Month	2012-13	2013-14
August	84.4	92.71
September	84.15	94.60
October	82.17	89.35
November	80.87	84.65
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	29/11/2013	29/10/2013	29/11/2012	% Month change	%Y-o-Y change
Mar-14	36734.13	34190.56	34737.18336	7.44	5.75
May-14	36615.11	34441.83		6.31	
Jul-14	36482.86	34693.10		5.16	
Oct-14	34626.98	33613.07		3.02	
Dec-14	34036.27	33401.48		1.90	
Mar-15	34300.76	0.00		0.00	

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

Cotton Futures:

Technical Analysis of Cotton Futures April 2014 contract at NCDEX



Weekly Outlook:

- NCDEX April contract noticed firm tone during the week (14 Dec-20 Dec).
- Price range during the week was Rs. 945.5-994 (per 20 kg.).
- We expect prices to remain sideways to firm.
- Immediate support could be seen at 925 which could further slide down to 915.
- Resistance would be at 990 which could further move up to 1000.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
935	945	995	1000

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	950-1000	Sideways to Bullish Momentum

Technical Analysis of Cotton Futures December 2013 contract at MCX



Weekly Outlook:

- MCX December'13 contract noticed uptrend and moved sideways during the week.
- Price range during the week was Rs.19150-19670 (per bale of 170 kg each)
- We expect prices to remain sideways to firm.
- Immediate support could be seen at 19100 which could slightly slide down to 19000.
- Resistance would be at 19700 which could further move up to 19900.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
19000	19100	19700	19900

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
MCX	19000-19900	Sideways to Bullish Momentum

ICE Cotton Futures (October 2013 Contract) Technical Analysis:



Weekly Outlook:

- ICE October 2013 future contract closed sideways.
- Prices ranged 82-84 cents/pound during the week.
- We expect price to rule sideways to firm.
- Immediate support level is at 80 which could further move down to 78.
- Resistance would be at 86 which could move high up to 88.

Support 2	Support 1	Resistance 1	Resistance 2
78	80	86	88

All in cents/pound

Source: MRCI

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