

Cotton Domestic Fundamental

Current Market Scenario: Cotton market noticed weak momentum during the month (October'14).

Prices of Kapas at Rajkot remained weak, with the range of Rs. 3625-4465 per quintal during October 2014 which was 3750-5300 per quintal previous month.

No loss is expected in cotton output in Andhra Pradesh and Gujarat due to cyclones Hudhud and Nilofar, said Cotton Corporation of India (CCI). Cotton procurement has been started in Andhra Pradesh and Telangana at MSP by CCI. Maharashtra Cotton State Federation said it will start procurement operation from December 1 to December 15 as late arrivals are expected in the state due to the delayed rains.

Garments export from India during FY April-September 2014-15 has noticed growth of 17.6% when compared to previous FY for the same period, reported Apparel Export Promotion Council (APEC). Amplifying labour cost in China, appreciation in currency, volatile settlement of factories in Bangladesh and higher rate of inflation has created the massive opportunities for India in this sector.

Export of cotton from the country is picking pace on the commencement of the crop season but despite the expectation of higher production this year, exports of the fiber is likely to remain weak during the current season 2014-15. Cotton Advisory Board (CAB) has anticipated exports of 9 million bales this season, 23% lower from the previous year export, which were 11.7 million bales. According to various analyst though, cotton exports would be around 7-7.5 million bales, fairly lower than the CAB estimates.

Amid higher production in the country and the region, farmers in Vidarbha are facing trouble as prices are falling downwards due to the leading supplies. Prices are breaching the level of Rs. 4000 per quintal which is average minimum support price (MSP). Also National Agricultural Cooperative Marketing Federation of India Limited (NAFED), who has affiliated Maharashtra State Federation to procure cotton, has proposed that, no farmer should be allowed to sell more than 25 quintals in a day at MSP and purchase by federation at MSP should not exceed 25% of the output in its area of operation. This proposal has further added worries to the farmers.

India exports of Textile and Apparel to USA has surged by 7% during January-August 2014, according to US Department of Commerce's Office of Textiles and Apparel (OTEXA) data. The same has noticed the annual growth of 2% in last five year. India has exported textile and apparel to USA valued USD 4.54 billion in August this year compared to USD 4.26 billion previous year during the same period.

YSR congress party (YSRCP) has requested centre and Telangana Government to raise the cotton MSP to Rs. 5,500 per quintal and urged to procure cotton through Cotton Corporation of India (CCI) or the government authorised agencies in order to eliminate middle man margins.

India is likely to witness drop of 46.8% in the cotton exports this year due to weak global import demand. According to USDA India is expected to export 1.089 million tonnes of cotton this season (Oct'14-Sep'15) compared to 2.047 million tonnes a season before. World cotton export is expected to fall to 7.490 million tonnes in 2014/15 which was 8.908 million tonnes in 2013/14.

Domestic Balance Sheet

All figures in Lakh Bales (of 170 Kgs. Each)		
Item	2013-14	2014-15*
Supply		
Opening stock (CCI)	35	35.5
Crop size (CCI)	390	395
Imports	11.5*	8.05
Availability	436.5	438.55
Demand		
Mill consumption (CCI)	252	265
Small Mill consumption (CCI)	25	26.5
Non-Mill consumption (CCI)	10	11
Total consumption	287	302.5
Export (CCI)	114	80
Total Demand	401	382.5

CCI: Cotton Corporation of India

*Agriwatch Estimates

Balance Sheet Highlights:

Opening stock this season would remain slightly higher this season (2014-15) compared to the previous season. Output of the crop in the country is also expected to increase marginally due to increased acreage of cotton.

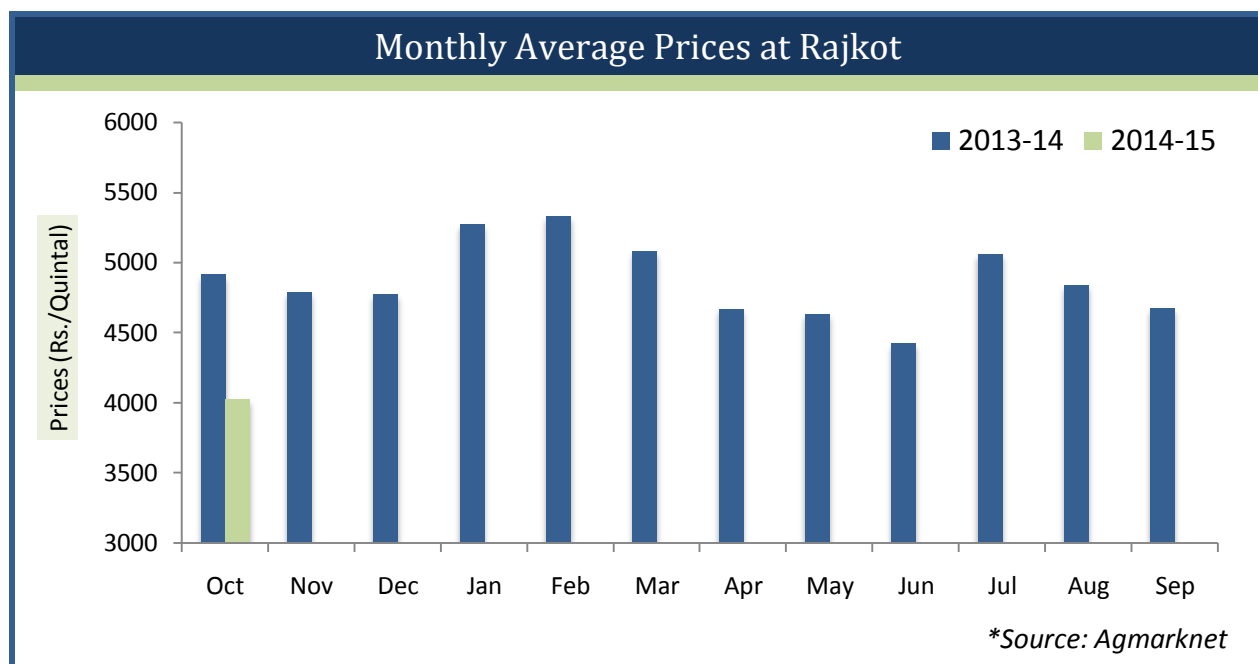
As per the latest estimates released by Ministry of Agriculture (MoA), around 126.55 lakh hectare of area has been sown under cotton this year, around 10.64% higher than the previous year, when it was 114.37 lakh hectares.

Imports are expected to fall as there would be ample supply in the country and domestic prices are likely to remain weaker which would diminish the cotton imports. Despite the fall in imports, total availability would stand higher compared to the previous year due to higher production and opening stocks.

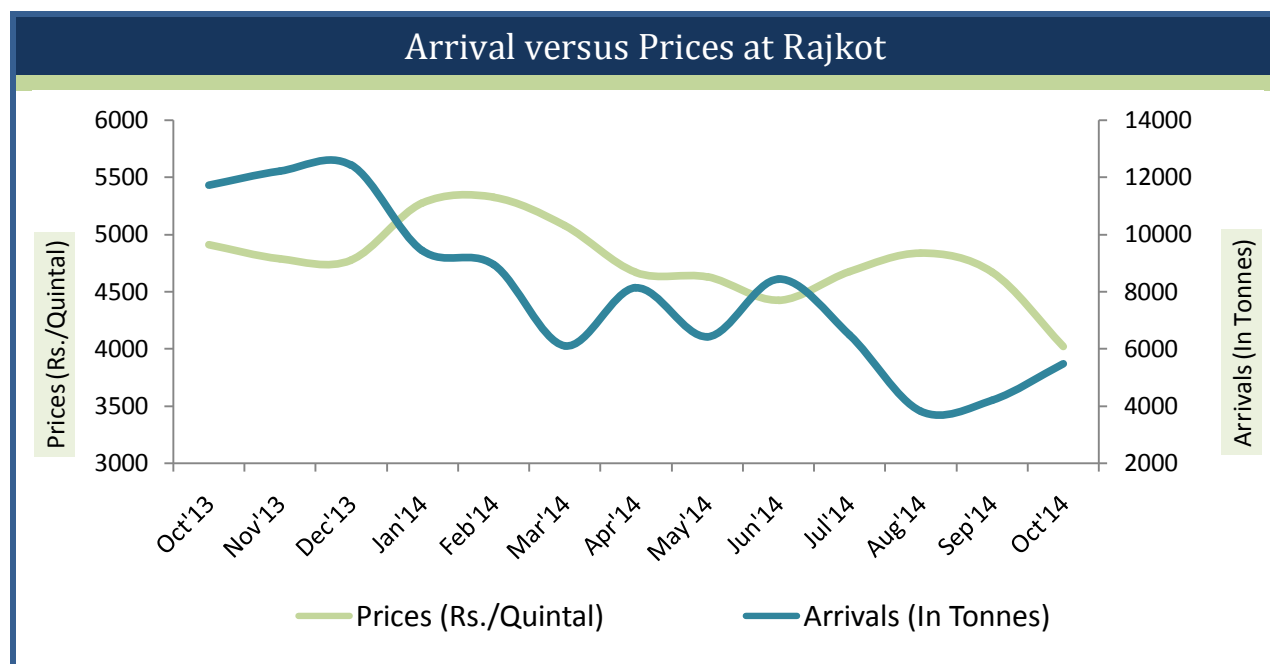
Consumption of cotton in country is likely to increase on amplified demand from textile and garments industry, but it would not cause any supply deficit because of enough availability in the country.

Exports are expected to see a remarkable fall because China will import lesser due to restrictive import policy, which is announced to terminate the cotton stockpiling program.

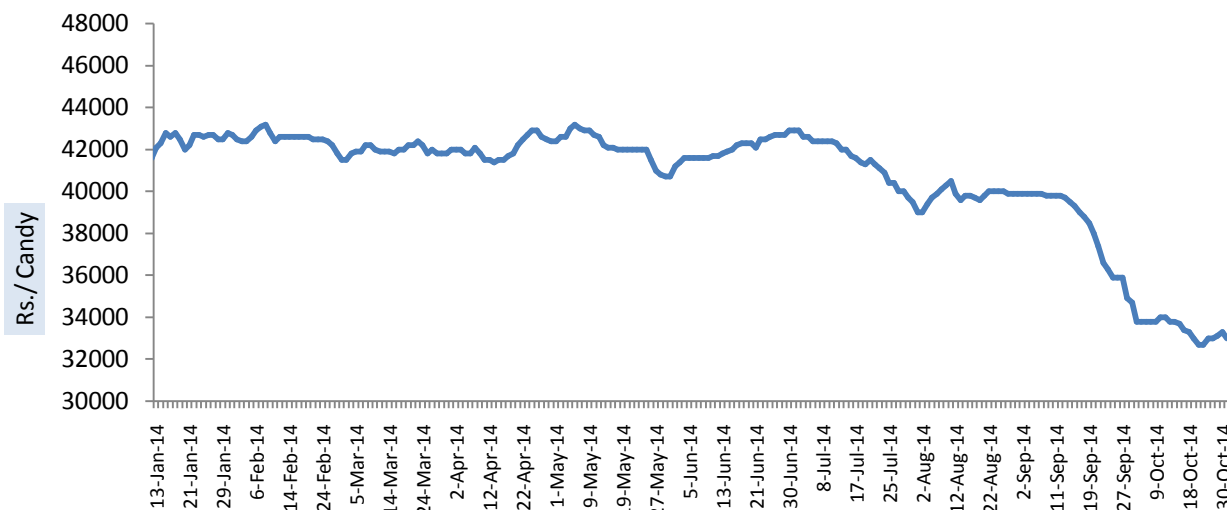
Domestic Prices and Arrival Trend



Expectation of higher production in the country and weak trading cues from international market are forcing domestic prices to fall downwards. Average monthly price of cotton at benchmark market Rajkot stood Rs. 4020.38 per quintal during October, around 13.8% lower when compared to previous month and around 18.14% lower when compared to same month last year.

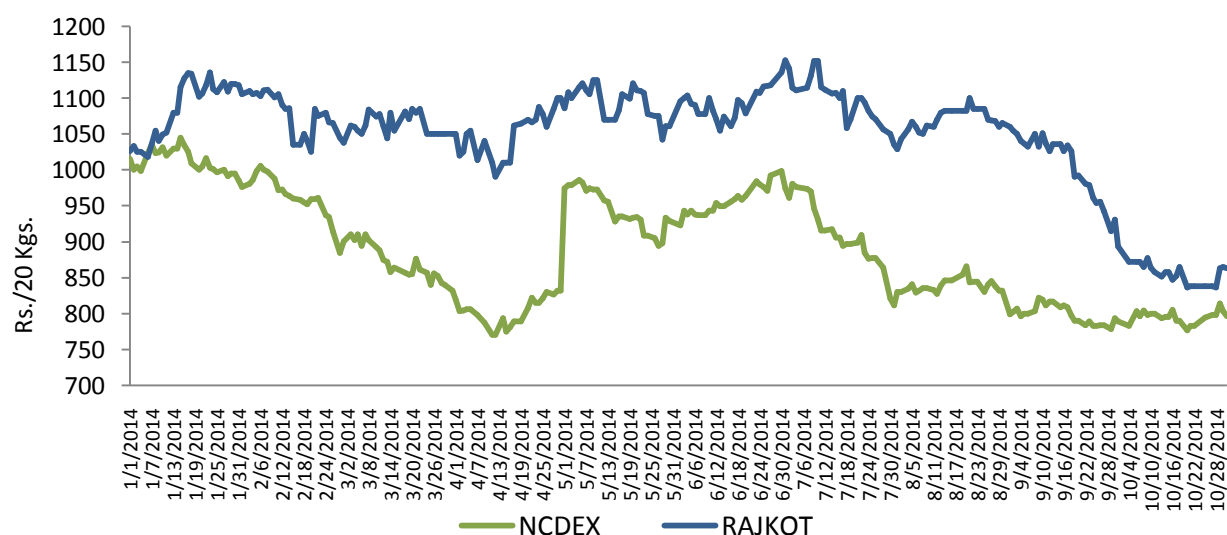


Shankar-6 (CAI Spot Prices)



Cotton market remained under the pressure of bears in the month of October this year. Monthly average price of Shankar-6 stood Rs. 33450 per candy which was Rs. 38360 per candy in September. Prices of Kapas too are showing downtrend in Rajkot. Future price though noticed a marginal recovery but remained overall range bound.

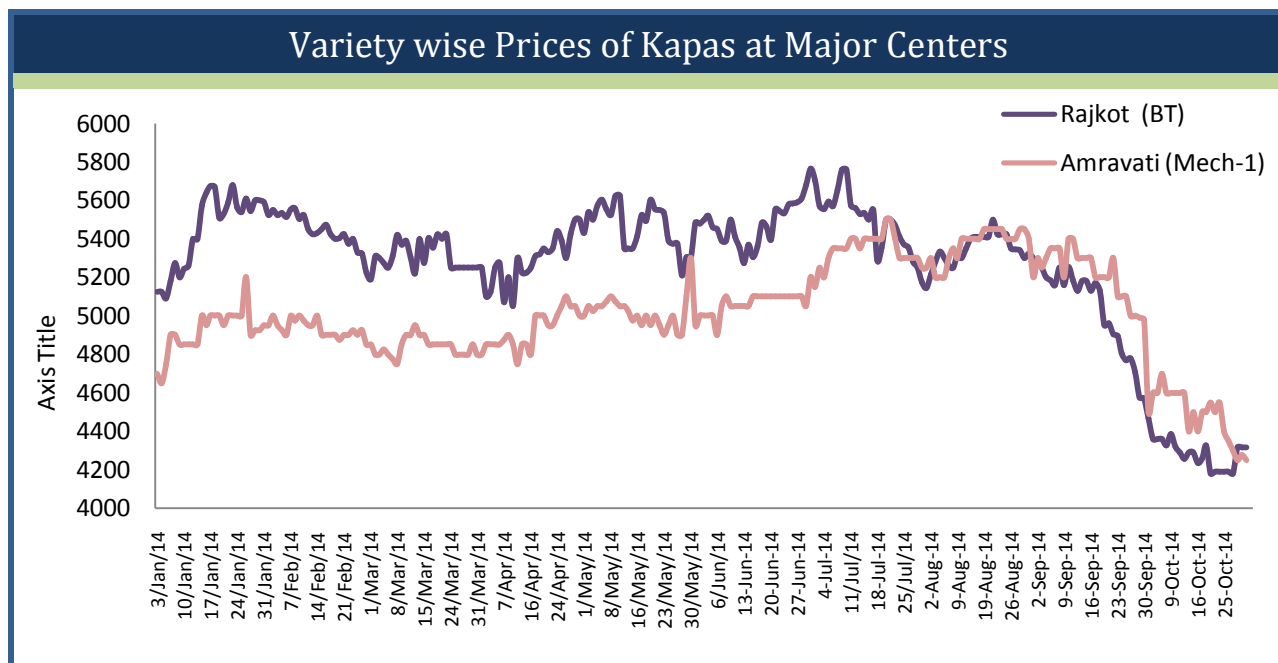
Spot (Rajkot) versus Future (NCDEX) Price Trend



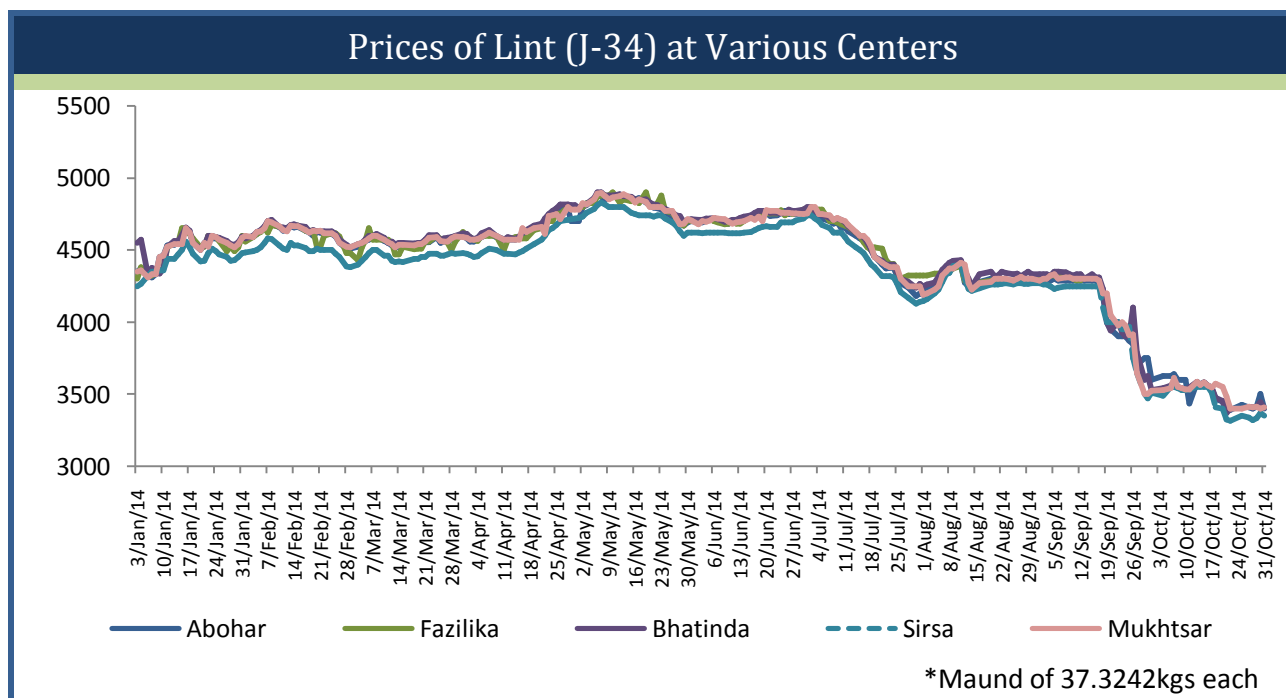
Cotton Prices at Key Spot Market:

Centre	Variety	Montly Prices Average		Change
		31-Oct-14	30-Sep-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4510	5220	-710
Khandwa	Mech-1	4200	NA	-
Khargaon	Mech-1	4200	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4259	NA	-
Rajkot	B.T. Cotton	4295	5045	-750
Patan	B.T. Cotton	4236	NA	-
Deesa	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	4150	4260	-110
Fazilika	B.T. Cotton	4118	NA	-
Bhiwani	B.T. Cotton	4350	4065	285
Adampur	B.T. Cotton	4290	4175	115
Fatehabad	B.T. Cotton	4275	4445	-170
Dabwali	B.T. Cotton	4180	4125	55
Jind	B.T. Cotton	4420	4850	-430
Uchana (Jind)	B.T. Cotton	4265	4150	115
Rawatsar (Hanumangarh)	B.T. Cotton	4150	NA	-
Hubli	B.T. Cotton	4143	NA	-
	Kapas			
Ahmedabad	Shankar-6	4170	NA	-
Gondal	Shankar-6	4306	4826	-520
	Kapas			
Bijapur	Bunny	4075	4320	-245
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4305	4145	160
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	3495	4035	-540
Muktsar	J-34	3515	4135	-620
Fazilika	J-34	3470	NA	-
Bhatinda	J-34	3500	3865	-365
Mansa	J-34	3490	3495	-5
Sirsa	J-34	3450	4085	-635
Sri-Ganganagar	J-34	3285	NA	-
Hanumangarh	B.T. Cotton	4165	NA	-

Variety wise Prices of Kapas (Seed Cotton):



Prices of Lint at various centers:



The prices of lint have fallen down sharply in the month of October, the very first month of the crop season. Increased arrival has pressurized the prices of Kapas and Lint. Presence of moisture content has also made the produce to fetch lower prices. Average lint price during the month of October Rs. 3455 per maund (of 37.3242 kgs each) at Sirsa, compared to Rs. 4080 per maund last month.

Monthly Prices of Lint (issued by Office of Textile Commissioner):

Month	J-34		H-4		S-6	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
October	29661.92	42979.88	32794.72	43923.28	33517.4	44969.92
November	31580.76		32844.56	40715.72	33592.16	40000.16
December	32452.96	38156.08	33043.92	39704.68	33798.64	39270.36
January	32837.44	41563	33008.32	43047.52	33805.76	42047.16
February	35165.68	42527.76	34332.64	43727.48	35051.76	42616.76
March	37949.6	42100.56	37664.8	43211.28	38319.84	42004.44
April	36963.48	42506.4	37565.12	44051.44	38205.92	42079.2
May	36507.8	45945.36	37490.36	42388.92	37764.48	43884.12
June	38871.64	43307.4	39825.72	44827.52	39868.44	42089.88
July	41278.2		42278.56		42417.4	
August	43321.64		45621.4		45959.6	
September	43143.64		44891.6		47839.28	
Average of the season	36644.56		37613.48		38345.06	

Figures in Rs./candy (356 kg.each)

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strengt h/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				30-Oct-14	30-Sep-14	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	37070	37540	-470
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	37660	38040	-380
J-34(202)	26mm	3.5 - 4.9	23	32120	37860	-5740
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32390	37220	-4830
Shankar-6(105)	29mm	3.5 - 4.9	28	33440	38360	-4920
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35305	40660	-5355
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36515	42000	-5485
DCH-32(107)	34mm	3.0 - 3.8	33	44480	52830	-8350

Cotton Arrivals in Key Centers:

Centre	Variety	Montly Arrivals Sum (Qtl)		Change
		31-Oct-14	30-Sep-14	
Amravati	Mech-1	1680	1550	130
Khandwa	Mech-1	2000	NA	-
Khargaon	Mech-1	30000	NA	-
Mahesana(Kadi)	B.T. Cotton	131400	NA	-
Rajkot	B.T. Cotton	49570	42020	7550
Patan	B.T. Cotton	149421	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	98500	60350	38150
Adampur	B.T. Cotton	13090	850	12240
Fatehabad	B.T. Cotton	25100	13640	11460
Dabwali	B.T. Cotton	15015	900	14115
Jind	B.T. Cotton	7118	NA	-
Uchana (Jind)	B.T. Cotton	21329	180	21149
Rawatsar (Hanumangarh)	B.T. Cotton	6320	NA	-
Hubli	B.T. Cotton	172	NA	-
Ahmedabad	Shankar-6	206550	NA	-
Gondal	Shankar-6	23292	12378	10914
Bijapur	Bunny	1280	4089	-2809
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	20305	6029	14276
Abohar	J-34	23180	3295	19885
Muktsar	J-34	5865	3723	2142
Bhatinda	J-34	453900	29393	424507
Mansa	J-34	22933	1190	21743
Sirsa	J-34	36040	11458	24582
Sri-Ganganagar	J-34	21369	510	20859
Hanumangarh	B.T. Cotton	28100	NA	-

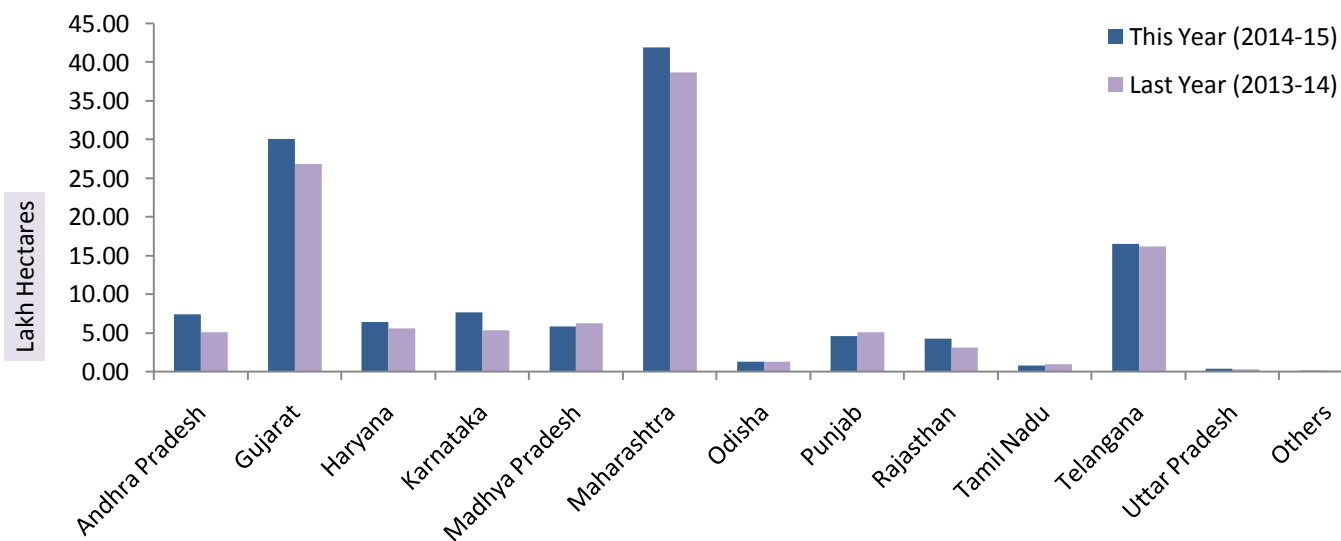
State wise Scenario

State wise Cotton Sowing Progress (As on 26-09-2014):

State	Normal Area	Normal Area as on date	Area sown reported		% Change (Y-o-Y)
			This Year	Last Year	
Andhra Pradesh	18.05	4.38	7.36	5.08	44.97
Gujarat	25.82	26.57	30.06	26.88	11.83
Haryana	5.42	5.46	6.39	5.57	14.72
Karnataka	4.90	4.21	7.60	5.29	43.67
Madhya Pradesh	6.40	6.44	5.79	6.21	-6.80
Maharashtra	37.71	39.21	41.92	38.68	8.37
Odisha	0.81	0.95	1.25	1.24	0.81
Punjab	5.22	5.29	4.50	5.05	-10.89
Rajasthan	4.00	3.91	4.16	3.03	37.36
Tamil Nadu	1.20	0.42	0.70	0.89	-21.35
Telangana	--	13.89	16.51	16.12	2.38
Uttar Pradesh	0.00	0.26	0.26	0.23	13.04
Others	0.07	0.05	0.05	0.10	-50.00
All-India	109.60	111.04	126.55	114.37	10.65

*Figures in Lakh Hectares **Source: Department of Agriculture and Co-operation (DAC)

State wise Cotton Sowing Progress

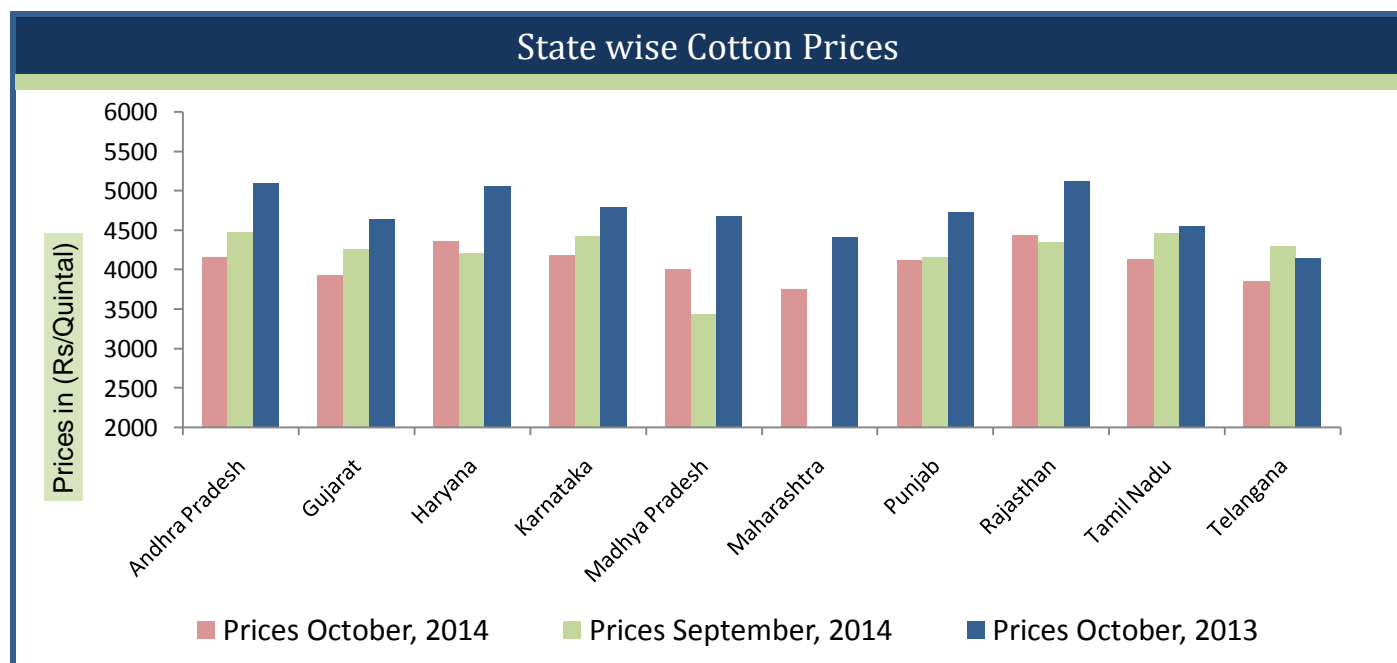


State wise Prices (Rs./Qtl.):

State	Prices October, 2014	Prices September, 2014	Prices October, 2013	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4155.41	4474.24	5096.75	-7.13	-18.47
Gujarat	3933.13	4256.97	4642.15	-7.61	-15.27
Haryana	4365.92	4203.89	5062.21	3.85	-13.75
Karnataka	4177.42	4427.27	4792.02	-5.64	-12.83
Madhya Pradesh	3996.49	3439.93	4679.53	16.18	-14.6
Maharashtra	3759.72		4404.9	—	-14.65
Punjab	4122.39	4158.4	4734.16	-0.87	-12.92
Rajasthan	4441.25	4347.07	5121.32	2.17	-13.28
Tamil Nadu	4139.55	4459.08	4550.41	-7.17	-9.03
Telangana	3857.41	4290.55	4146.05	-10.1	-6.96
Average	5487.64	5752.8	5096.67		

**Source: Agmarknet*

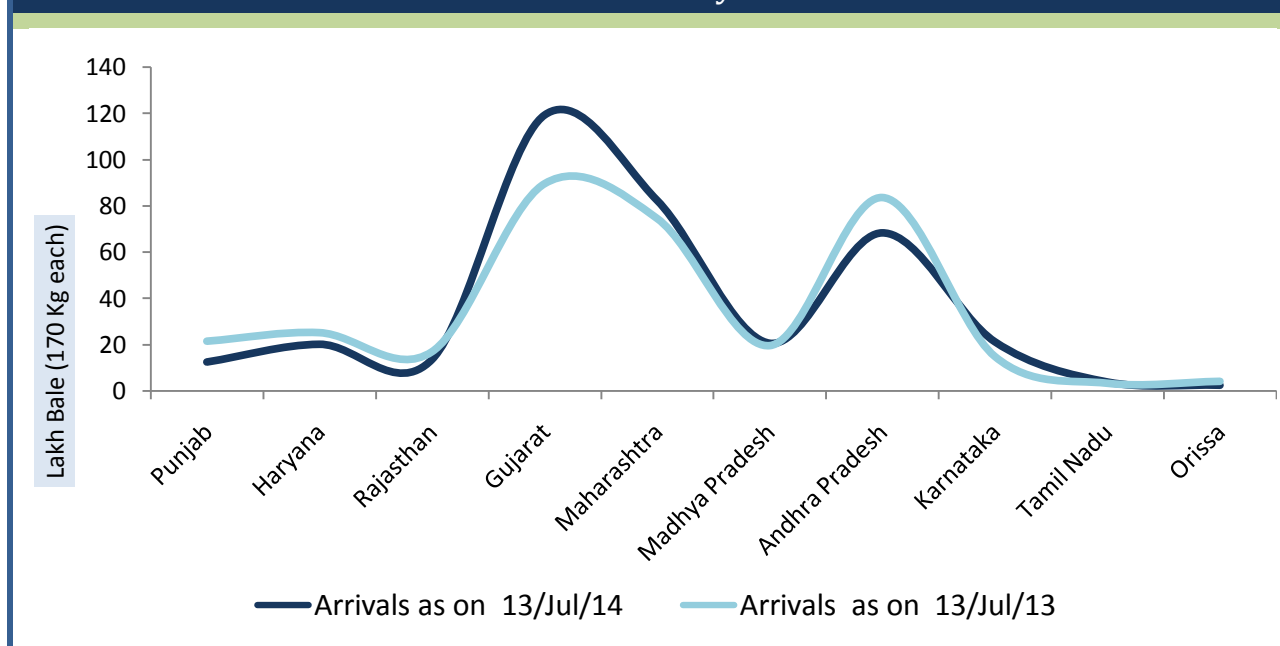
Monthly average prices of cotton have declined and showing downtrend on year on year basis in the major cotton marketing states. For the long term basis, weak sentiments are prevailing on expectation of fairly good output and lower exports from the country, particularly to China. Although on month on month basis, few states have noticed recovery in the prices following the demands from millers and exporters. Exports of cotton have slightly improved this month compared to the previous.



State wise Arrivals (in lakh bales of 170 kgs each):

States	2013-14*		2012-13	
	Production as per CAB	Arrivals As on	Production as per CAB	Arrivals As on
	2/Jul/14	13/Jul/14	2/Jul/13	13/Jul/13
1. Punjab	21	12.4	21	21.54
2. Haryana	23	20.1	25	25.24
3. Rajasthan	14	13.5	17	17
A. North Total (1+2+3)	58	46	63	63.78
4. Gujarat	120	119.44	93	89.67
5. Maharashtra	84	82.48	79	74.64
6. Madhya Pradesh	19	20.54	19	19.63
B. Central Total (4+5+6)	223	222.46	191	183.94
7. Andhra Pradesh	76	68.38	84	83.7
8. Karnataka	22	21.19	15	14.95
9. Tamil Nadu	5	3.74	6	3.33
C. South Total (7+8+9)	103	93.31	105	101.98
10. Orissa	4	2.34	4	4.18
11. Others	2	2	2	2
D. Total (10+11)	6	4.34	6	6.18
Grand Total (A+B+C+D)	390	366.11	365	355.88

* Inclusive of new crop arrivals in September 2013
 **Source : Cotton Corporation of India (CCI)

State wise Monthly Arrivals


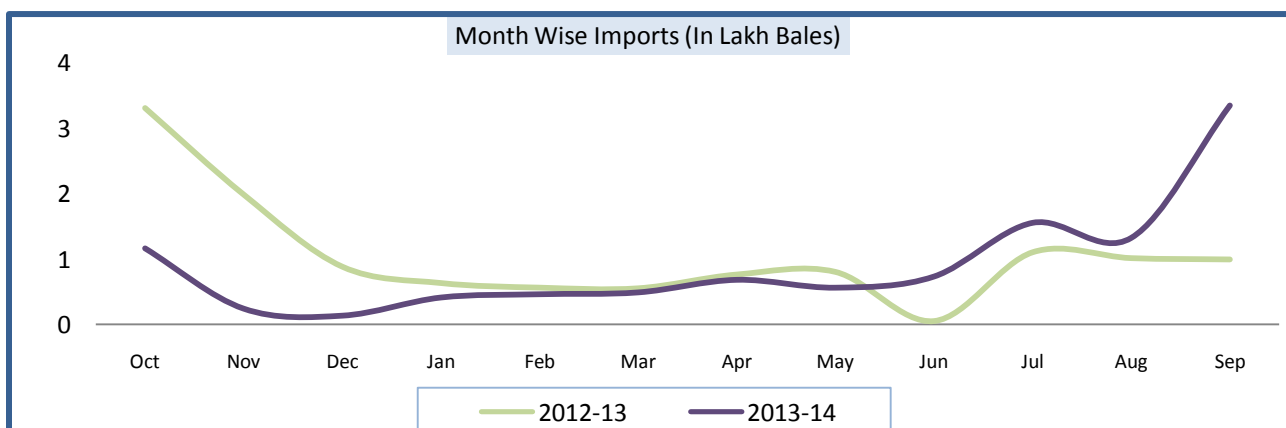
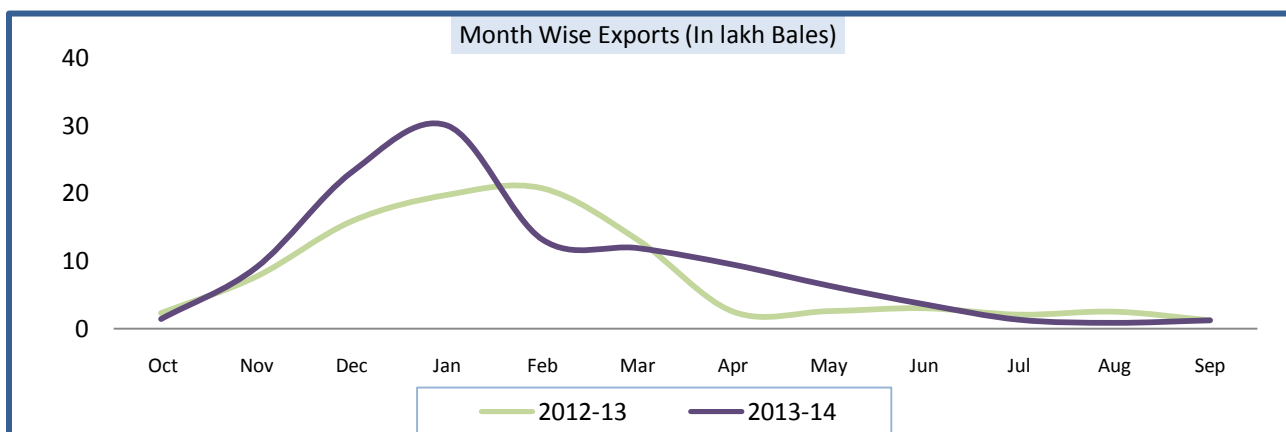
Cotton Export and Import Scenario

Cotton Exports(In Lakh Bales)		
Month	2012-13	2013-14
Oct	2.29	1.43
Nov	7.68	9.06
Dec	15.83	23.12
Jan	19.71	30
Feb	20.67	13.15
Mar	13.07	11.9
Apr	2.5	9.46
May	2.58	6.37
Jun	3.01	3.62
Jul	2.06	1.32
Aug	2.5	0.87
Sep	1.22	1.24
Total	93.12	111.5

Source: IBIS

Cotton Imports(In Lakh Bales)		
Month	2012-13	2013-14
Oct	3.3	1.16
Nov	1.98	0.24
Dec	0.88	0.133
Jan	0.63	0.41
Feb	0.56	0.46
Mar	0.55	0.488
Apr	0.76	0.68
May	0.8	0.56
Jun	0.05	0.73
Jul	1.1	1.55
Aug	1.01	1.32
Sep	0.99	3.34
Total	12.61	11.07

Source: IBIS



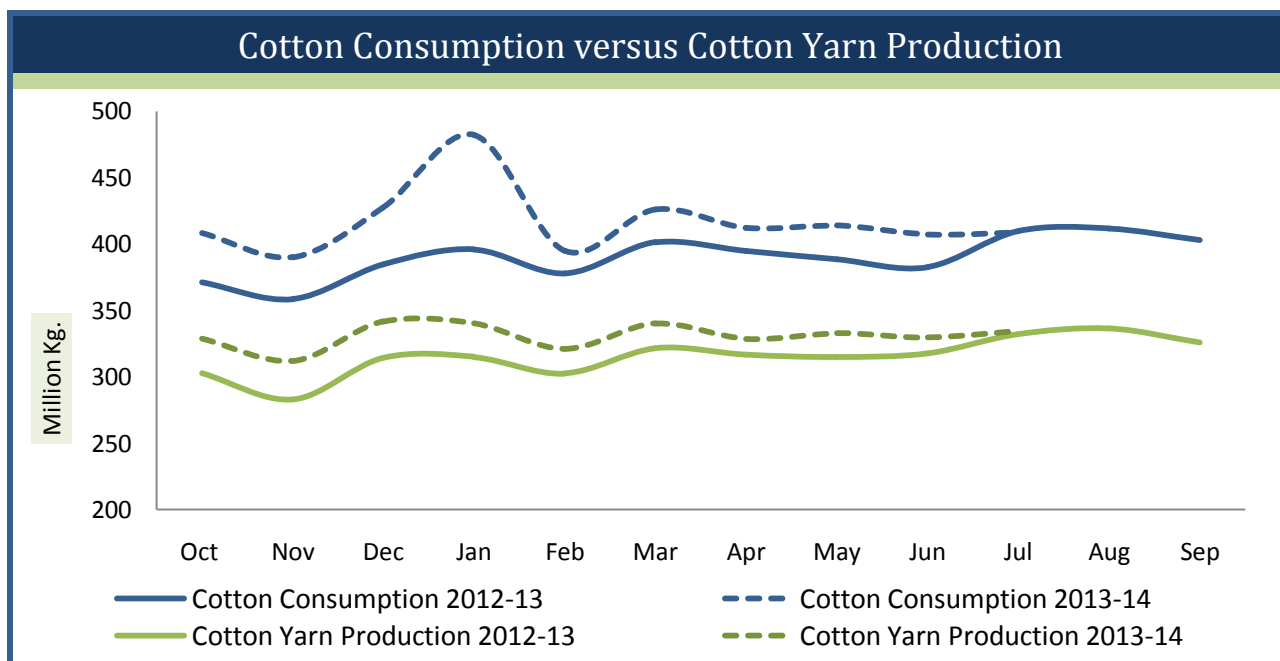
Cotton Yarn Dynamics

Cotton Consumption and Cotton Yarn Production:

Cotton yarn production is showing improvement in July'14 on month on month and year on year basis. Demand from China remained firm during the period, domestic demand also reported on higher side.

Month	Cotton Consumption 2012-13	Cotton Consumption 2013-14	Cotton Yarn Production 2012- 13	Cotton Yarn Production 2013-14
Oct	371.35	408.49	302.65	328.79
Nov	358.54	390.25	282.88	312.13
Dec	384.75	427.72	314.21	341.67
Jan	396.02	482.16	315.07	340.38
Feb	378.1	394.8	302.59	321.31
Mar	401.38	426.15	321.57	340.2
Apr	394.75	412.4	316.61	328.74
May	388.47	413.92	314.97	332.92
Jun	382.64	407.26	317.69	329.74
Jul	409.9	408.93	332.12	334.59
Aug	411.96		336.3	
Sep	402.88		326.09	

Figures in Million Kg.

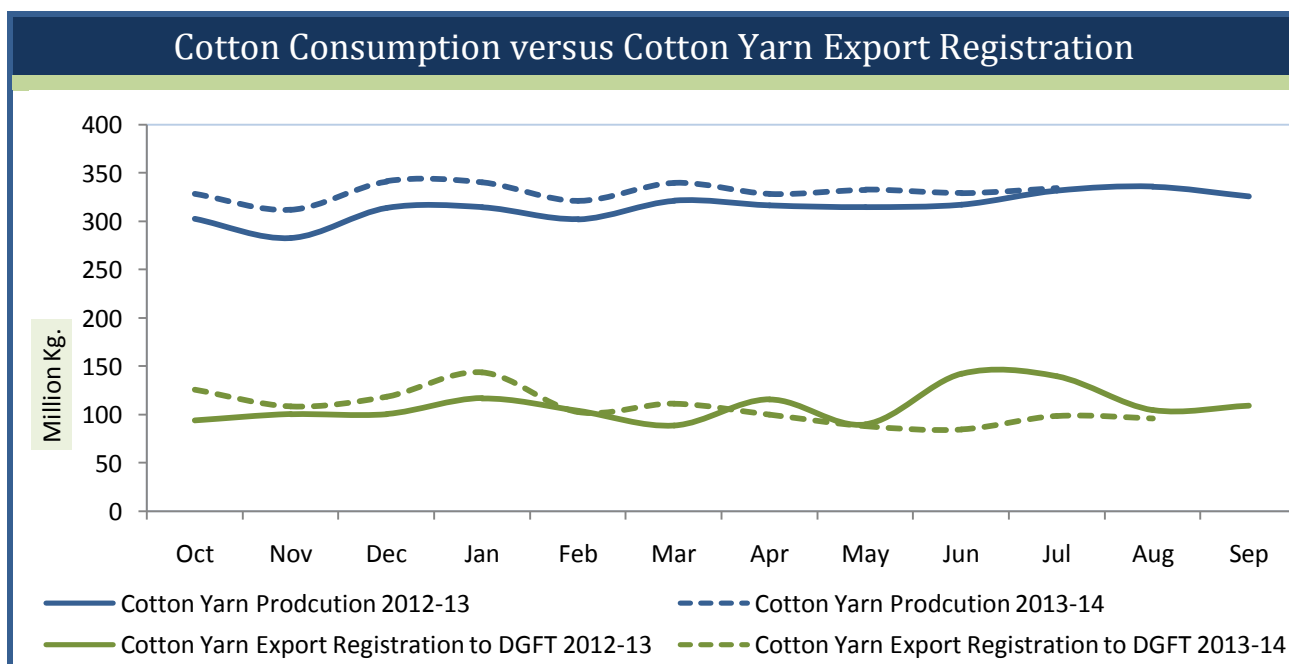


Cotton Yarn Production and Cotton Yarn Export:

Cotton yarn registration had revived in the month of July and slightly fell again August. The same is moving lower on year on year basis since April'14, whereas on month on month basis it is fluctuating in a range. For the coming period we expect the sluggish demand of cotton and cotton yarn from China, the largest importer of Indian cotton and cotton yarn.

Month	Cotton Yarn Production 2012-13	Cotton Yarn Production 2013-14	Cotton Yarn Export Registration to DGFT 2012-13	Cotton Yarn Export Registration to DGFT 2013-14
Oct	302.65	328.79	94.46	125.88
Nov	282.88	312.13	100.77	108.52
Dec	314.21	341.67	100.77	118.736
Jan	315.07	340.38	117.14	143.813
Feb	302.59	321.31	103.95	103.124
Mar	321.57	340.2	88.68	111.738
Apr	316.61	328.74	115.96	99.926
May	314.97	332.92	90.15	88.442
Jun	317.69	329.74	142.297	84.949
Jul	332.12	334.59	139.745	98.808
Aug	336.3		104.913	96.535
Sep	326.09		109.64	

Figures in Million Kg.



Technical Analysis of Cotton Future

Commodity	Kapas
Exchange	NCDEX
Contract Month	April'15



Monthly Technical Outlook:

- Candlesticks denote range bound momentum with weak biasness in the market.
- RSI is moving down in neutral region supporting weak tone.
- Declining MACD histogram depicts weakness.
- We expect prices to remain range with weak biasness.

Expected price range during coming month

Expected Trend	Expected Trading Band
Bearish Momentum	750-830

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
735	725	860	880

International Market Scenario

Current Market Scenario: International market remained weak during the month and prices fell sharply in late October. Cotlook A Index reached to the level of 70 cents/pound at the end of October 2014, around 17.6% lower when compared to previous year during the same period, the index then was 85.4 cents/pound. The same has recorded the fall of 4.14% , month on month basis.

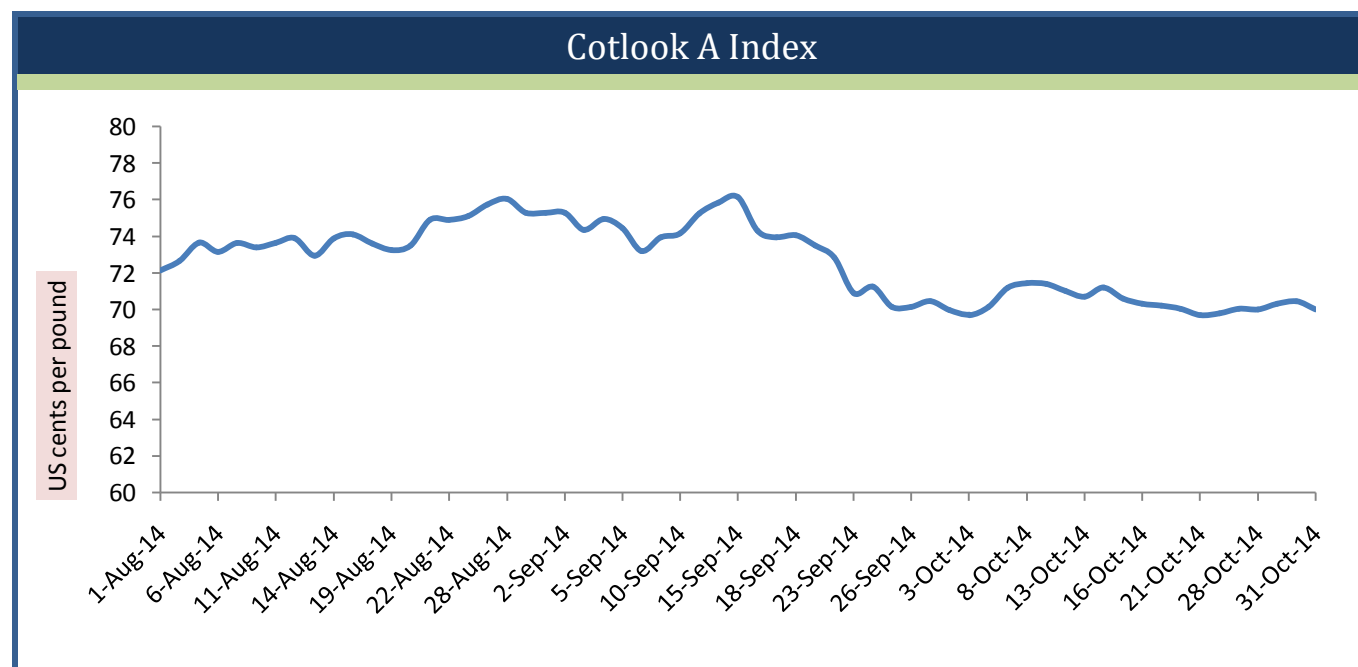
Uzbekistan has finished the cotton harvest campaign. The farmers of the country have harvested 3.4 million tonnes of cotton this year. It has been reported that 90% of the harvested crop is of high grade.

Cotton production in Pakistan is lagging behind the target set for the current season due to flood that has damaged the standing crop badly, said Cotton Crop Assessment Committee (CCAC). Cotton production in the country would stand around 13.539 bales (of 170 kg each) in the season 2014/15 against the target of 15.1 million bales earlier expected by the Government of Pakistan.

Cotton output in West Africa is likely to surge by 19 percent to 25.70 lakh tonnes for the season 2014/15 as government has fixed high prices for the commodity, which has attracted more growers, as revealed by data compiled by Reuters.

Bangladesh is expected to lower its imports from Uzbekistan by 12% in 2014 compared to 2013 up to 175 thousand tons, but it will remain the largest export destination for Uzbekistan. The top importers of Uzbekistan cotton are Bangladesh (35%), China (25%), and South Korea (7%).

China imported around 122,900 tonnes of cotton in September this year, 39% lower when compared to same month last year, reported China Cotton Association (CCA). During the initial nine month of the year, China imported 2 million tonnes of cotton, 38% lower when compared to same period last year.



World Cotton Production

World cotton production is likely to stand around 25.99 million tonnes this season compared to 26.039 million tonnes previous season, according to the United State Department of Agriculture (USDA).

World Cotton Balance Sheet:

Particulars	2013-14	2014-15*
SUPPLY		
Opening stock	19.557	22.058
Production	26.039	25.99
Imports	8.866	7.487
Availability	54.462	55.535
DEMAND		
Consumption	23.603	24.571
Exports	8.908	7.49
Total Disappearance	32.511	32.061
Ending Stock	22.058	23.321
Source: USDA (*October Advance Estimates by USDA), Figures in Million Metric Tonnes		

Balance Sheet Highlights:

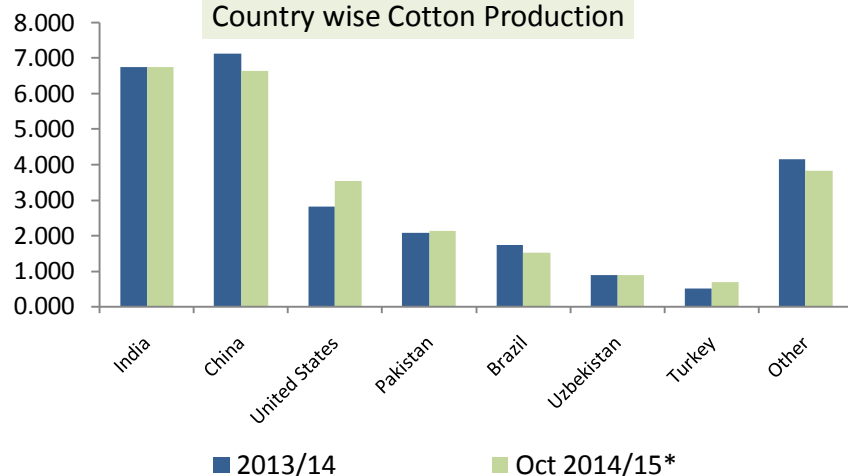
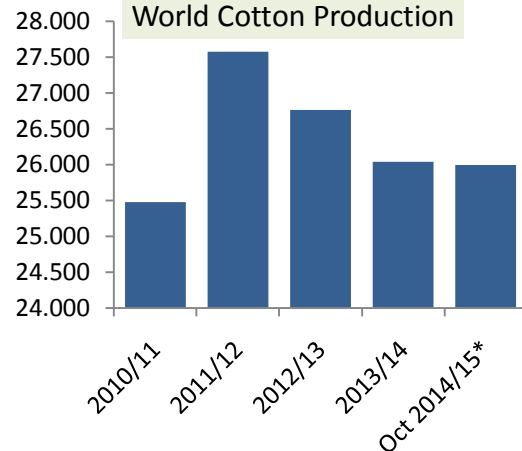
Despite the fall in production and imports, total availability is likely to be higher this season (2014-15) due to higher opening stocks.

Consumption is likely to increase slightly this season due to amplified demand of cotton from south East Asian region, but it would not impact the total demand as exports are declining substantially. On higher availability and weaker total demand, ending stocks this season would be higher.

Global Cotton Production Dynamics:

World production would be on weaker side amid lower production in China and Brazil in the coming season (2014/15). India is likely to become the largest producer, surpassing China. United States, Uzbekistan and Turkey are expected to notice uptrend in production in coming season whereas output of cotton in Pakistan is expected to remain steady. Global production though showing declining trends since last two years, there would not be the supply shortage as there is ample stock available to quench the demand, though it could be slightly dictated by China cotton import policy.

Country wise and Global Cotton Production (In Million Tonnes)

Country wise Cotton Production

World Cotton Production


Global Export and Import Scenario:

WorldExports:

World export is expected to decline in coming season on announcement of cotton import policy of China, which would restrict the cotton inflow into the country up to the quota limited stipulated by WTO.

United States, India and Brazil followed by Australia, Uzbekistan, Greece and Burkina would be the major exporter this year.

Except Brazil, the major cotton exporting nations are expected to see fall in the exports.

The largest importer of US upland cotton, Turkey has announced the investigation against possible dumping of US cotton in the country. This is the third dispute over US cotton in recent years and that could lead to instability in trade on global front. Turkey imported around 1.1 million bales of upland cotton from USA, costing around USD 500 million.

Export	2013-14	2014-15*
United States	2.29	2.18
India	2.05	1.09
Brazil	0.49	0.74
Australia	1.06	0.70
Uzbekistan	0.59	0.50
Greece	0.26	0.24
Burkina	0.26	0.22
Other	1.92	1.83
Total	8.91	7.49
*USDA Oct advance estimate, All figures in Million Metric Tonnes		



World Imports:

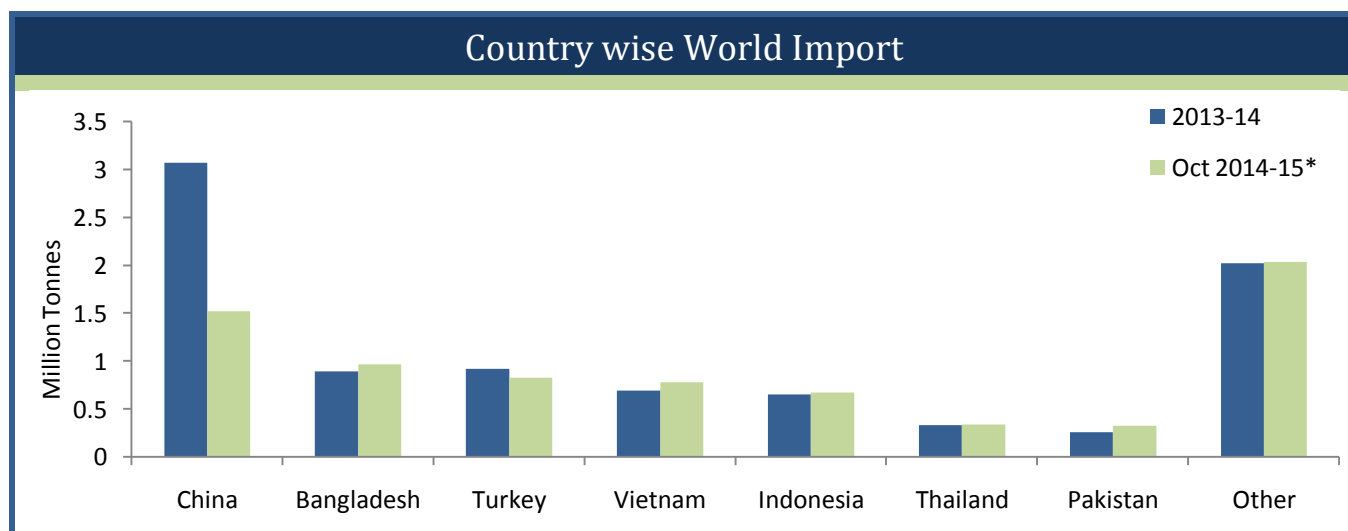
Global cotton imports would fall this season on the expectation of lower import by China this season. China imports are projected to diminish to half on announcement of revision on import quota policies. The country is likely to import 1.524 million tonnes of cotton this season 50.4% lower when compared to 3.075 million tonnes in 2013/14.

Turkey will also diminish its imports on higher production this season. Turkey is expected to produce 686 thousand tonnes this season compared to 501 thousand tonnes a year ago.

Import	2013-14	2014-15*
China	3.075	1.524
Bangladesh	0.893	0.969
Turkey	0.924	0.827
Vietnam	0.697	0.784
Indonesia	0.653	0.675
Thailand	0.337	0.343
Pakistan	0.261	0.327
Other	2.027	2.039
Total	8.866	7.487

*USDA Oct advance estimate, All figures in Million Metric Tonnes

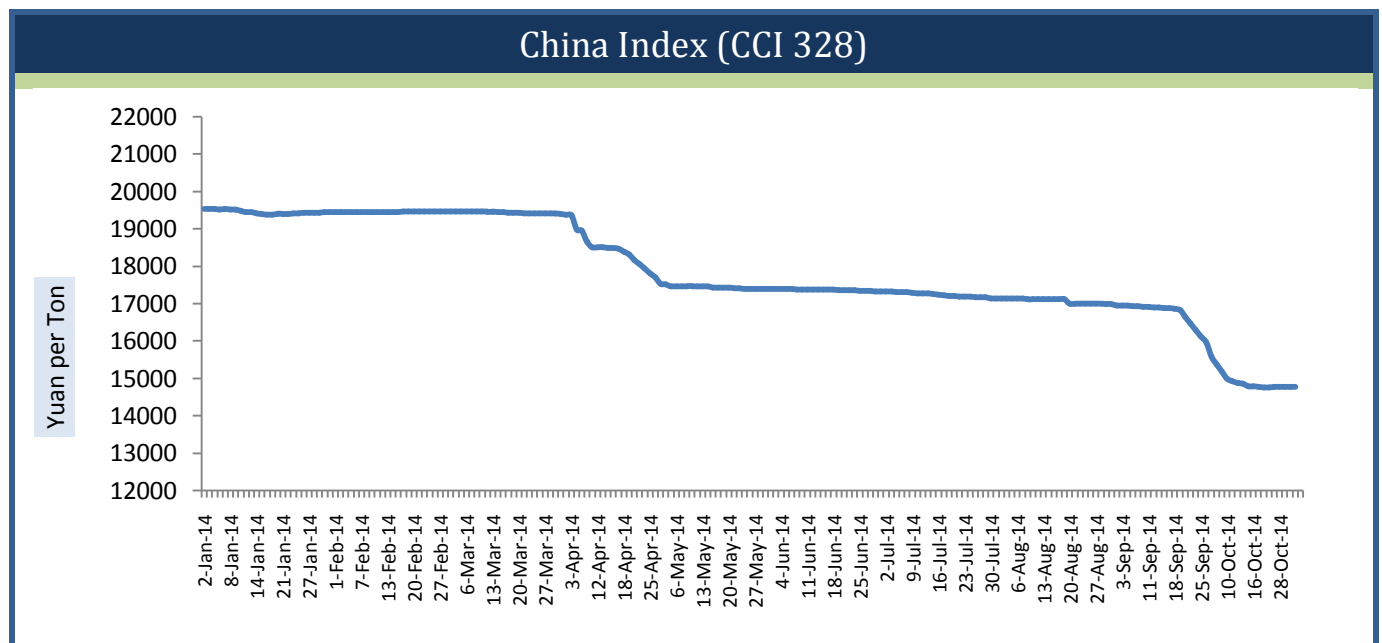
Except China and Turkey, major importer of cotton including Bangladesh, Vietnam, Indonesia, Thailand and Pakistan are expected to see rise in the imports



International Prices and Indices

China Cotton Index

CC Indices	31-Oct-14	30-Sep-14	% Change
CC Index(229)	15288	15921	-3.98
CC Index(328)	14786	15378	-3.85
CC Index(527)	13678	14217	-3.79
Figures in Yuan per Ton			



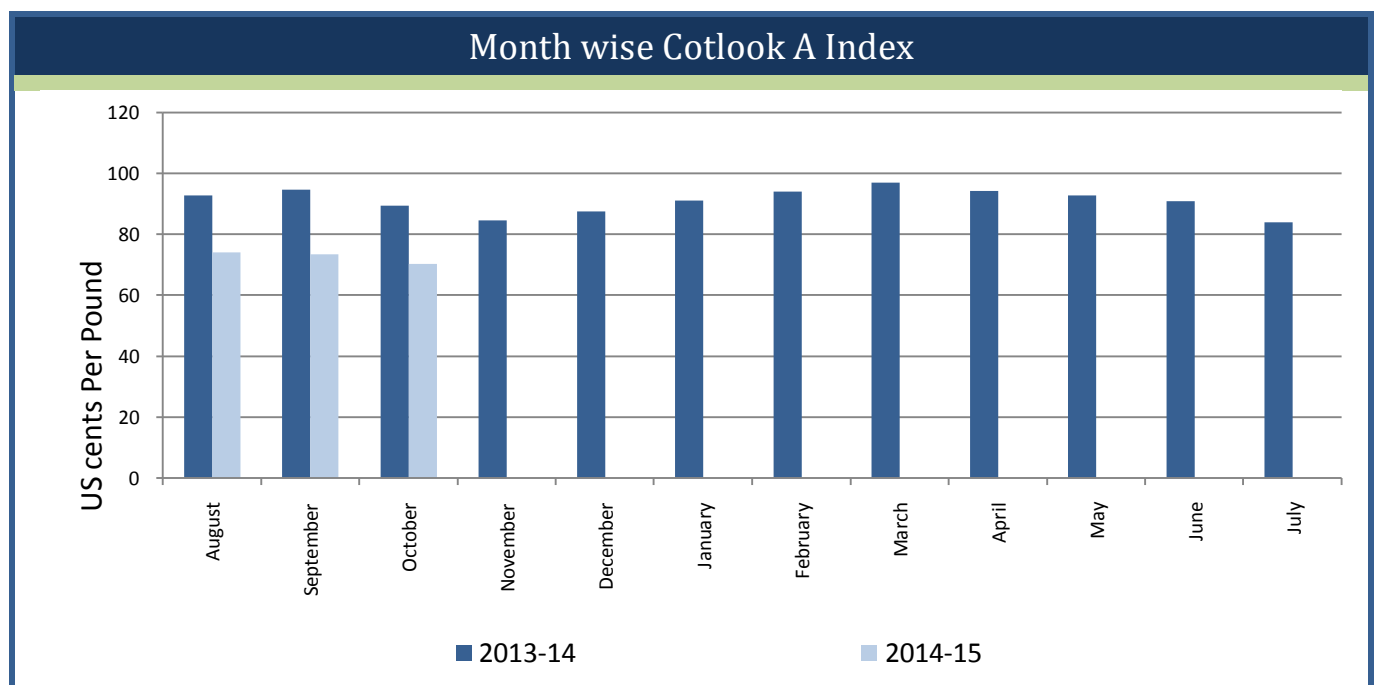
Cotlook A Index

Cotlook A Index		
31-Oct-14	30-Sep-14	% Change
70	69.95	0.07
Figures in US Cents per Pound		

Month wise Cotlook A Index:

Month	2013-14	2014-15	Y-o-Y Change %age
August	92.71	73.99	-20.19
September	94.6	73.38	-22.43
October	89.35	70.34	-21.28
November	84.65		
December	87.49		
January	90.96		
February	94.05		
March	96.94		
April	94.2		
May	92.7		
June	90.89		
July	83.83		

Figures in US cents per pound

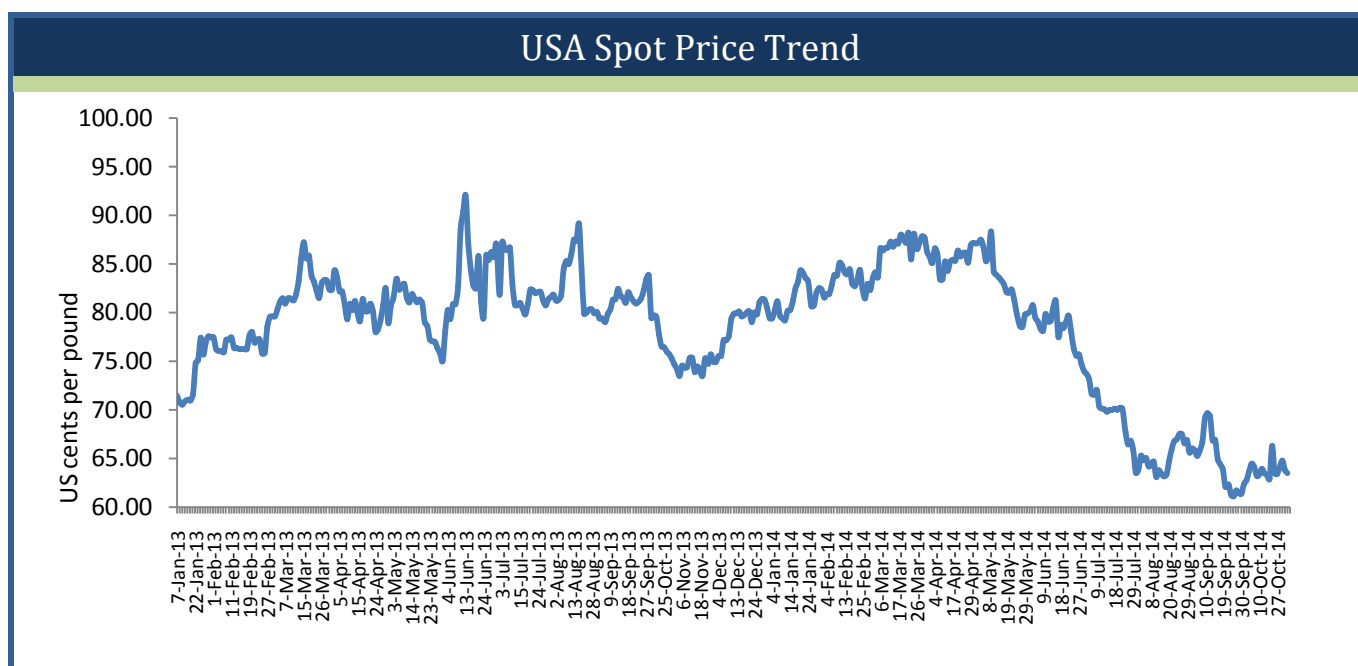


USA Spot Prices

Average USA spot price declined on month on month basis following higher output in the region and the lower world import expected this season. USA, being the largest exporter of cotton is likely to hit badly by the import policy of China, under which the country is likely to import only up to the quota limit stipulated by WTO.

According to the latest report released by USDA, as on October 26, 2014, 48% of cotton crop in USA is in excellent to good condition, which was 47% last week and 44% a year ago. 91% bolls open has reported in cotton which was 86% last week and 95% as five year average. 42% of cotton harvesting reported which was 29% a week ago and 41% as a 5 year average.

Average USA Spot Prices			
Date	Oct-14	Sep-14	% Change
Prices	63.7	64.8	-1.7
Figures in US Cents per Pound			



ICE Cotton Future:

Contracts	31-Oct-2014	30-Sep-2014	31-Oct-2013	% Month Change	% Y-o-Y Change
Oct-14	64.45	67.78	76.54	-4.91	-15.80
Dec-14	62.92	65.79	--	-4.36	--
Mar-14	63.80	65.44	--	-2.51	--
May-14	64.61	65.96	--	-2.05	--
Jul-14	65.67	66.61	--	-1.41	--
Oct-14	66.61	67.15	--	-0.80	--

Source: MRCL, Figures in US Cents Per Pound

Technical Analysis of Cotton Future

Commodity	Cotton
Exchange	ICE
Contract Month	Dec'14



Monthly Technical Outlook:

- Candlesticks depict range bound movement in the market.
- Weak prices and increasing volume are depicting weakness.
- We expect prices to remain in range with weak biasness.

Expected Price Range During Coming Month

Expected Trend	Expected Trading Band
Range Bound with Weak Biasness	58-67.80

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
56.60	55.00	68.00	69.60

Source : MRCI

All figures in US cents per pound

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