

Cotton Domestic Fundamental

Current Market Scenario: Cotton market noticed range bound to firm momentum during the month (December'14). Prices of Kapas at Rajkot remained sideways to firm, with the range of Rs. 4095-4360 per quintal during December 2014 which was Rs. 4050-4260 per quintal previous month.

According to the final estimates of Gujarat Agriculture Department, total area for the cotton cultivation in state stood 2519 thousand hectare in season 2013-14. Total production estimated at 10088 thousand bales and average yield (In Lint) was 680 kgs. per hectares.

Cotton Corporation of India (CCI) has procured 2.50 million bales of cotton till December 2014 in the season 2014-15. The same has the highest since 2008-09 when the CCI procured 8.9 million bales in the entire season. Last year CCI procured only 40813 bales in the entire season.

State government in Gujarat faced criticism by opposition party as it announced the relief of package of Rs 1100 crore for farmers. According to the congress, the opposition party, the relief announced by the BJP led government is just another stunt and it is not the right move to relief the farmers and significant increase in the MSP could help farmers better rather than this relief package.

As estimated by USDA, cotton export from India would be around 1.089 million tonnes this season (2014-15), around 46% lower when compared to the exports in previous season, which was 2.015 million tonnes.

According to Cotton Association of India (CAI) cotton output in the country would stand around 402 lakh bales in season 2014-15, slightly lower than the production of previous season when it was 407.25 lakh bales. The expected fall in production in Gujarat has been considered the reason for the fall in production in the country. Gujarat is projected to produce 122 lakh bales of cotton this season compared to 129.5 lakh bales previous season.

India has relaxed the rules applied to cotton and cotton yarn export in order to boost the export volume from country. The government of India has dispensed the requirement of registration to Directorate General of Foreign Trade (DGFT) for exports of cotton and cotton yarn which was earlier mandatory for the traders along with notification of their targeted export volume for the year. India is expected to produce 400 lakh bales of cotton this year, slightly higher than previous year, but enough to raise the availability as export would be on weaker side, causing demand deficit.

India's minister of state for agriculture Mohanbhai Kundaria said that there is no proposal to increase the minimum support price (MSP) of cotton. According to the minister, Cotton Corporation of India (CCI) has geared up for procurement of cotton at MSP in 341 centers in 92 districts from the 11 cotton growing states.

Cotton Corporation of India (CCI) has planned to procure sixty lakh bales of cotton this season (Oct'14-Sept'15) at the outlay of 12000 crore. Around 8 lakh bales of cotton have been procured by CCI in Andhra Pradesh and Telangana so far. CCI has tied up with the consortium of 14 banks, led by Bank of Baroda in order to carry out the procurement related transactions.

Domestic Balance Sheet

All figures in Lakh Bales (of 170 Kgs. Each)			
Item	2013-14*	2014-15*	% Change
Supply			
Opening stock	40	32	-20
Crop size	398	400	0.5
Imports	10.8	7	-35.2
Availability	448.8	439	-2.2
Demand			
Mill consumption	266	275	3.4
Small Mill consumption	24.88	26	4.5
Non-Mill consumption	8	10	25.0
Total consumption	298.88	311	4.1
Export	117.92	90	-23.7
Total Demand	416.8	401	-3.8
Ending Stock	32	38	18.8

*Source: CCI (Cotton Corporation of India)

Balance Sheet Highlights:

Opening stock would remain lower this season (Oct'14-Sept'15) compared to the previous one. According to CCI, opening stocks would stand 20% lower this season. Production would be on higher side in the current season following the higher acreage in the country.

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.

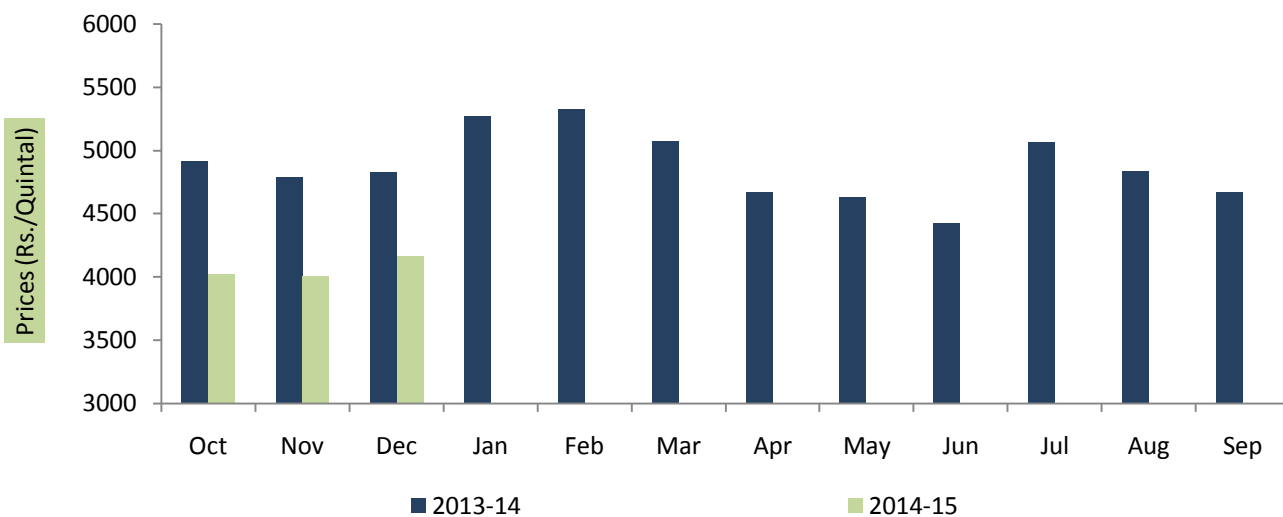
Imports are expected to fall as there would be ample supply in the country and domestic prices are likely to remain weaker which would diminish the cotton imports. Lower opening stocks and lesser imports will hence make the total supply lower compare to the previous season.

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

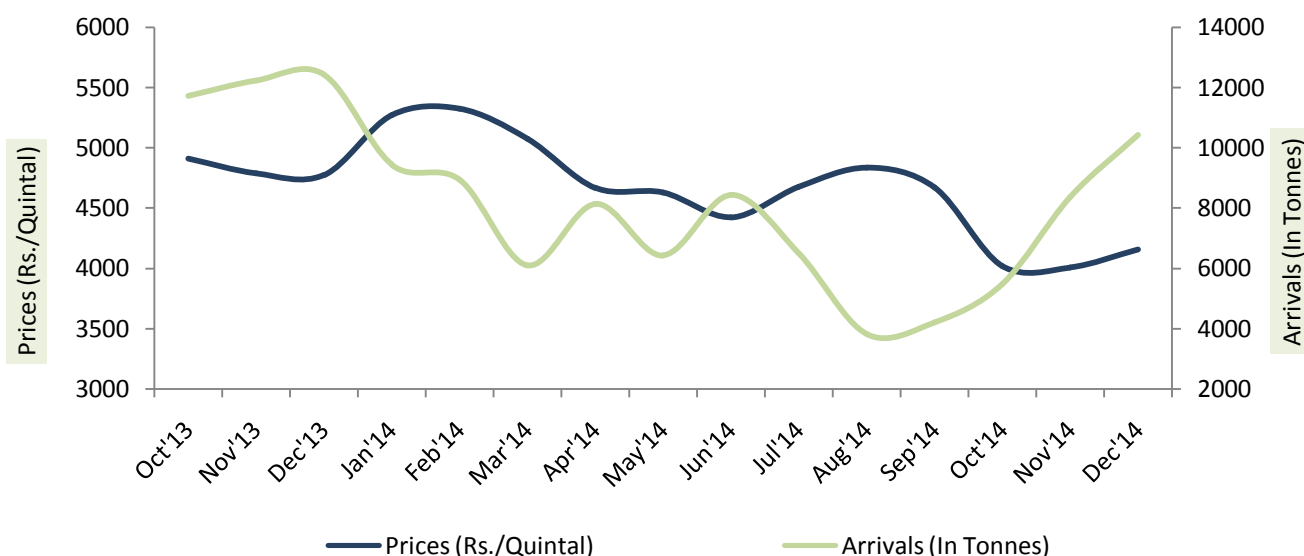
Monthly Average Prices at Rajkot



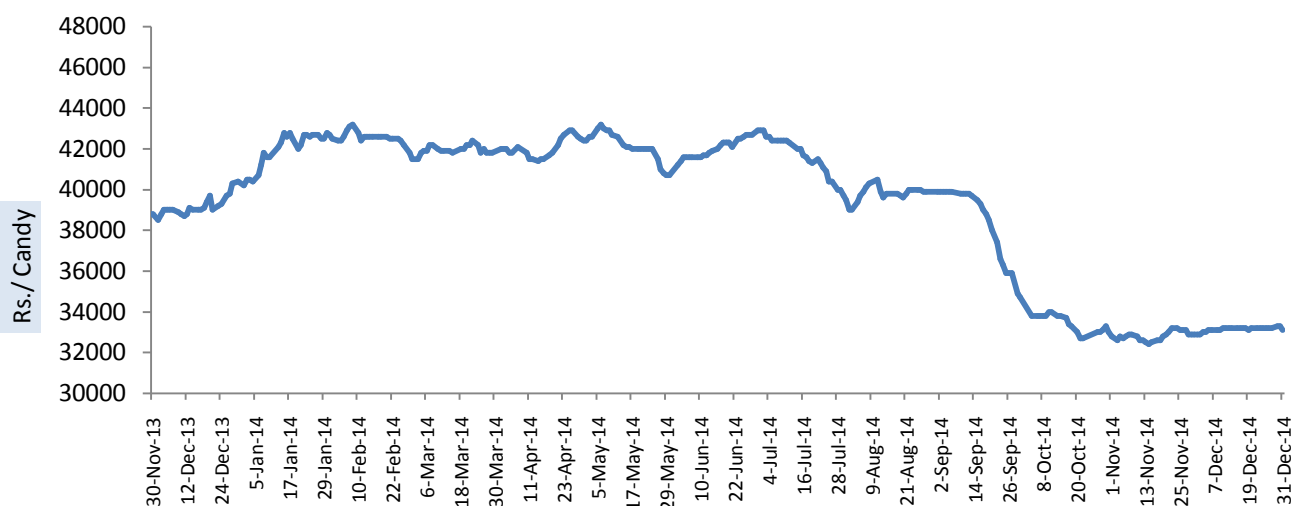
*Source: Agmarknet

Driven by the improved exports demand, cotton prices noticed recovery on month on month basis. At Rajkot, monthly average price of cotton remained Rs. 4157.2 per quintal during December around 3.73% higher when compared to price in previous month, which was Rs. 4007.43. Although the prices have improved slightly on month on month on basis, the same is still ruling lower when compared to prices of previous year. Monthly average price of cotton is around 14% lower when compared to prices during the corresponding month last year.

Arrival versus Prices at Rajkot



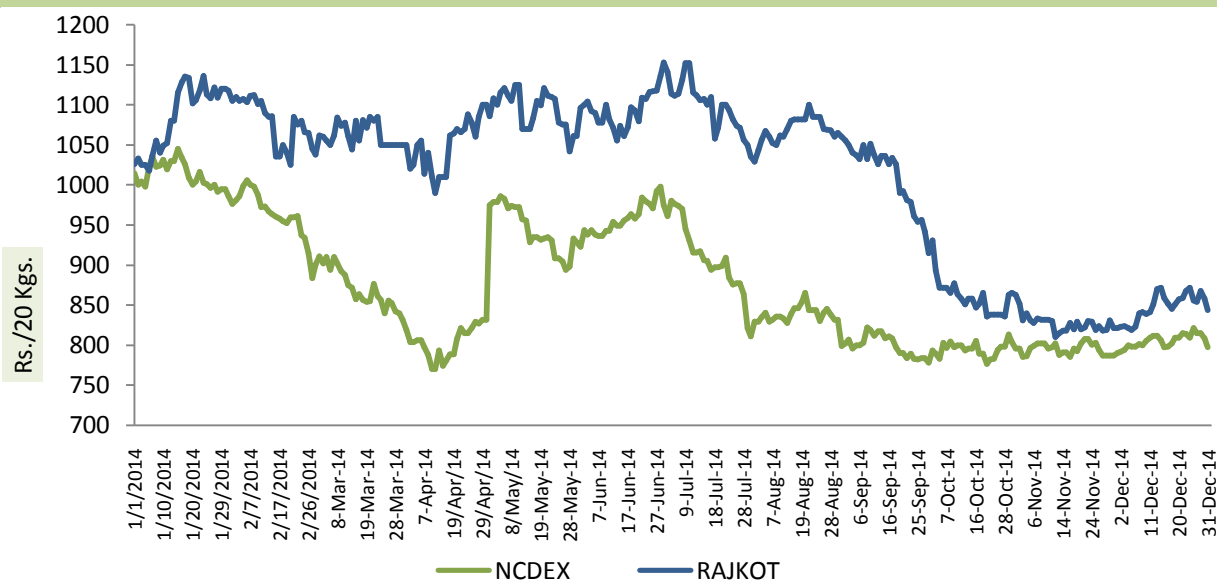
Shankar-6 (CAI Spot Prices)



Cotton prices noticed sideways movement with firm biasness. Monthly average price of Shankar-6 remained Rs. 33150 per candy during December, which was Rs. 32760 during November.

Prices at spot market too remained range bound with firm biasness; future prices of Kapas at NCDEX also followed the same trend. In the month of December, Kapas at NCDEX remained in the range of Rs. 784.5-826.5 per maund (of 20 kgs. each).

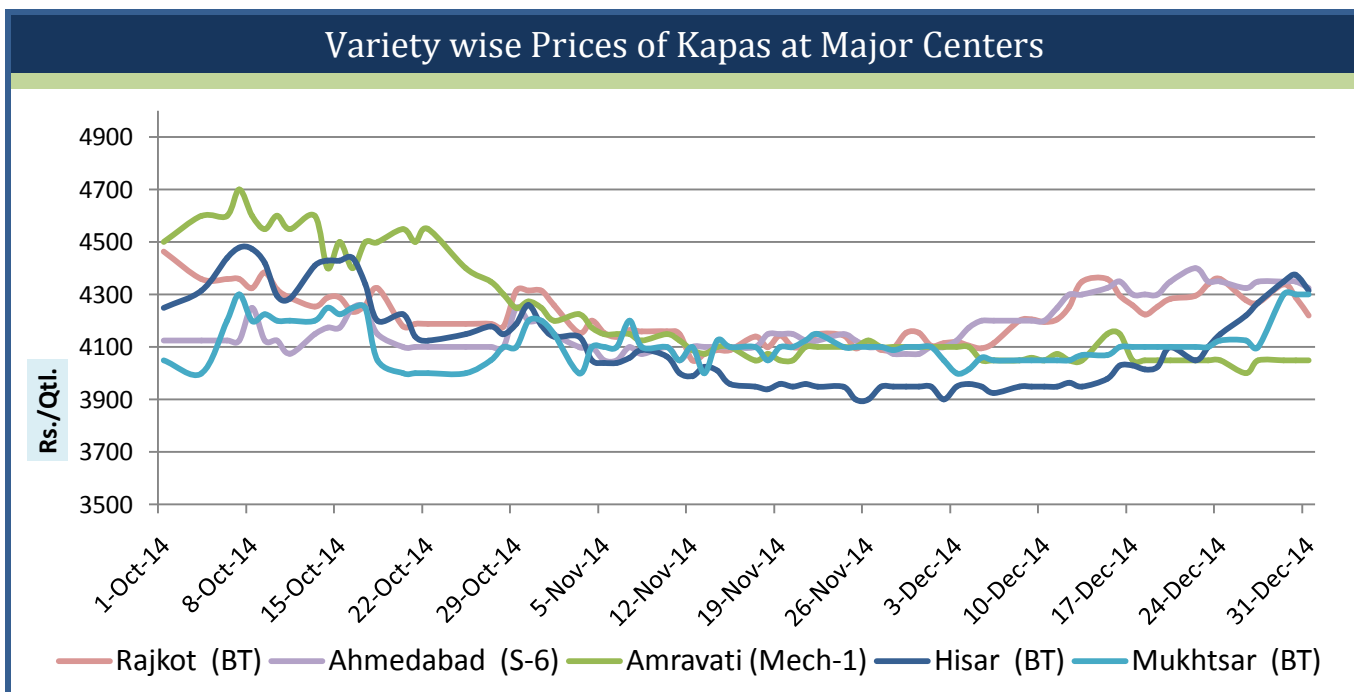
Spot (Rajkot) versus Future (NCDEX) Price Trend



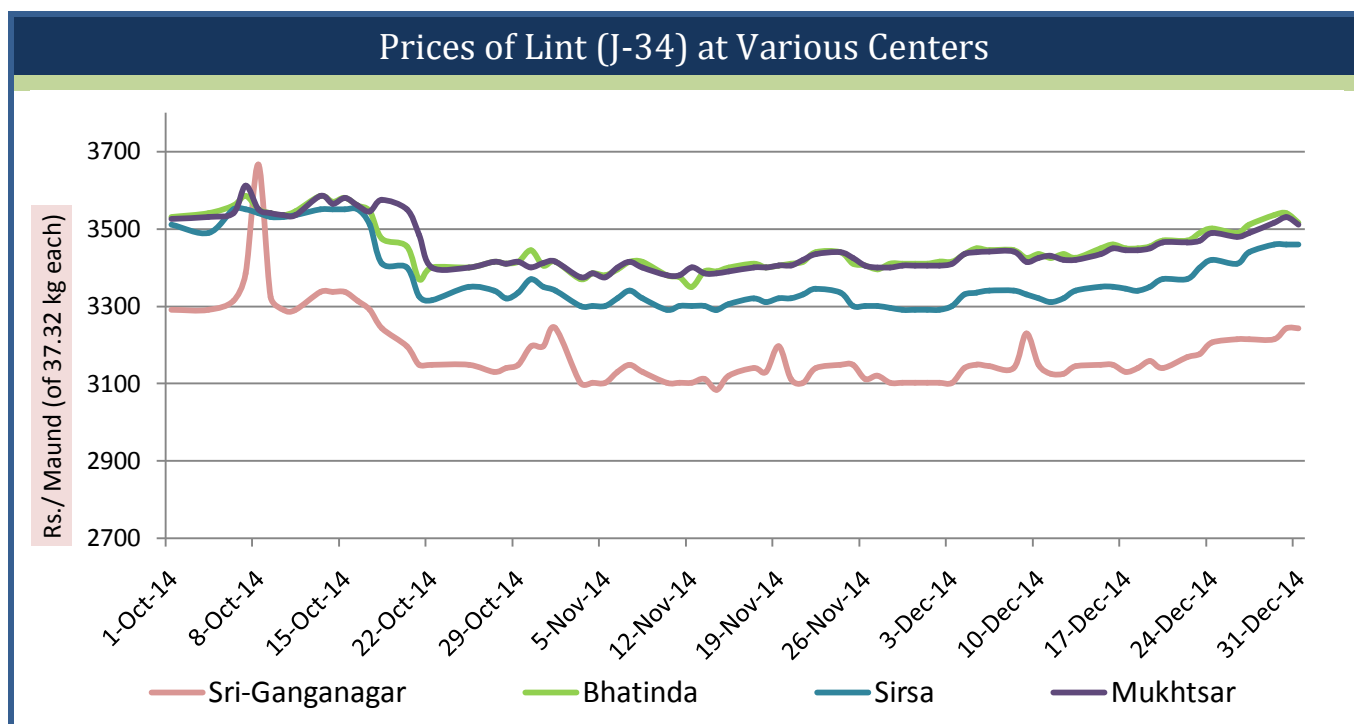
Cotton Prices at Key Spot Market:

Centre	Variety	Monthly Average Prices		Change
		Dec'14	Nov'14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4060	4115	-55
Khandwa	Mech-1	4070	4080	-10
Khargaon	Mech-1	4070	4080	-10
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4300	4200	100
Rajkot	B.T. Cotton	4240	4135	105
Patan	B.T. Cotton	4225	4155	70
Deesa	B.T. Cotton	4050	3955	95
Muktsar	B.T. Cotton	4100	4100	-
Fazilika	B.T. Cotton	4095	4020	75
Bhiwani	B.T. Cotton	4135	4015	120
Adampur	B.T. Cotton	4055	3990	65
Fatehabad	B.T. Cotton	4060	4015	45
Dabwali	B.T. Cotton	4040	3975	65
Jind	B.T. Cotton	4165	4065	100
Uchana (Jind)	B.T. Cotton	4050	3980	70
Rawatsar (Hanumangarh)	B.T. Cotton	3930	3965	-35
Hubli	B.T. Cotton	4200	4170	30
Hathras	B.T. Cotton(US)	3670	3655	15
Hanumangarh	B.T. Cotton	4010	3985	25
	Kapas			
Ahmedabad	Shankar-6	4275	4105	170
Gondal	Shankar-6	4205	4130	75
	Kapas			
Bijapur	Bunny	4220	4255	-35
Hubli	D.C.H.	5075	4805	270
Raichur	H-44 Cotton	4125	4105	20
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	3455	3400	55
Muktsar	J-34	3450	3400	50
Fazilika	J-34	4095	3395	700
Bhatinda	J-34	3460	3400	60
Mansa	J-34	3445	3400	45
Sirsa	J-34	3360	3310	50
Sri-Ganganagar	J-34	3165	3125	40

Variety wise Prices of Kapas (Seed Cotton):



Prices of Lint at various centers:



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	36644.563		37613.477		38345.057	

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

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy*	Rs. Per Candy*	Change
				Dec'14	Nov'14	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	32340	34630	-2290
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	32850	35190	-2340
J-34(202)	26mm	3.5 - 4.9	23	31415	31005	410
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32615	32005	610
Shankar-6(105)	29mm	3.5 - 4.9	28	33150	32760	390
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34210	33840	370
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35150	34625	525
DCH-32(107)	34mm	3.0 - 3.8	33	44065	43320	745

**Monthly Average Prices*

Cotton Arrivals in Key Centers:

Centre	Variety	Monthly Arrivals Sum (Qtl)		Change
		31-Dec-14	29-Nov-14	
Amravati	Mech-1	90000	10665	79335
Khandwa	Mech-1	19400	10400	9000
Khargaon	Mech-1	117000	99000	18000
Mahesana(Kadi)	B.T. Cotton	1045000	710000	335000
Rajkot	B.T. Cotton	99300	91801	7499
Patan	B.T. Cotton	307765	524847	217082
Deesa	B.T. Cotton	72265	35985	36280
Fazilika	B.T. Cotton	33950	44200	10250
Muktsar	B.T. Cotton	13005	11645	1360
Bhiwani	B.T. Cotton	84000	93000	9000
Adampur	B.T. Cotton	72080	30005	42075
Fatehabad	B.T. Cotton	45450	40400	5050
Dabwali	B.T. Cotton	47600	35900	11700
Jind	B.T. Cotton	25595	19482	6113
Uchana	B.T. Cotton	63117	48920	14197
Rawatsar	B.T. Cotton	10250	23750	-13500
Hubli	B.T. Cotton	3944	3138	806
Hathras	B.T. Cotton	4585	1167	3418
Hanumangarh	B.T. Cotton	70700	136850	-66150
Ahmedabad	Shankar-6	1727200	906100	821100
Gondal	Shankar-6	49280	55273	-5993
Bijapur	Bunny	93004	34889	58115
Hubli	D.C.H.	4310	1358	2952
Raichur	H-44 Cotton	57813	57602	211
Abohar	J-34	42670	38930	3740
Bhatinda	J-34	1267350	947750	319600
Mansa	J-34	47872	34638	13234
Sirsa	J-34	70380	58905	11475
Sri-Ganganagar	J-34	268600	136850	131750

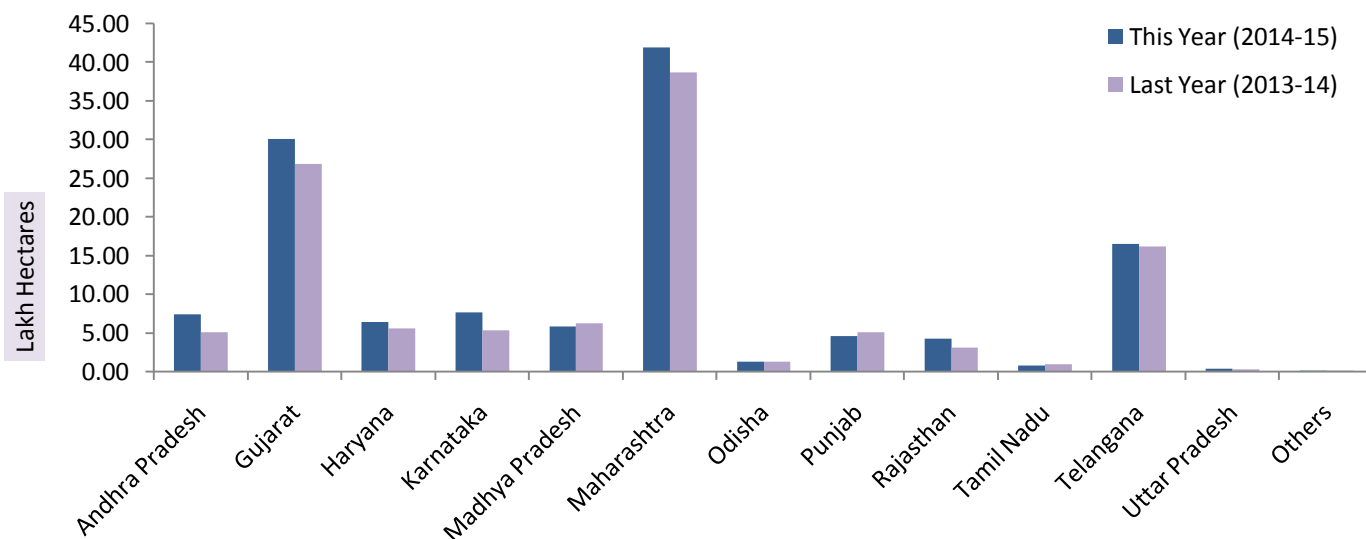
State wise Scenario

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

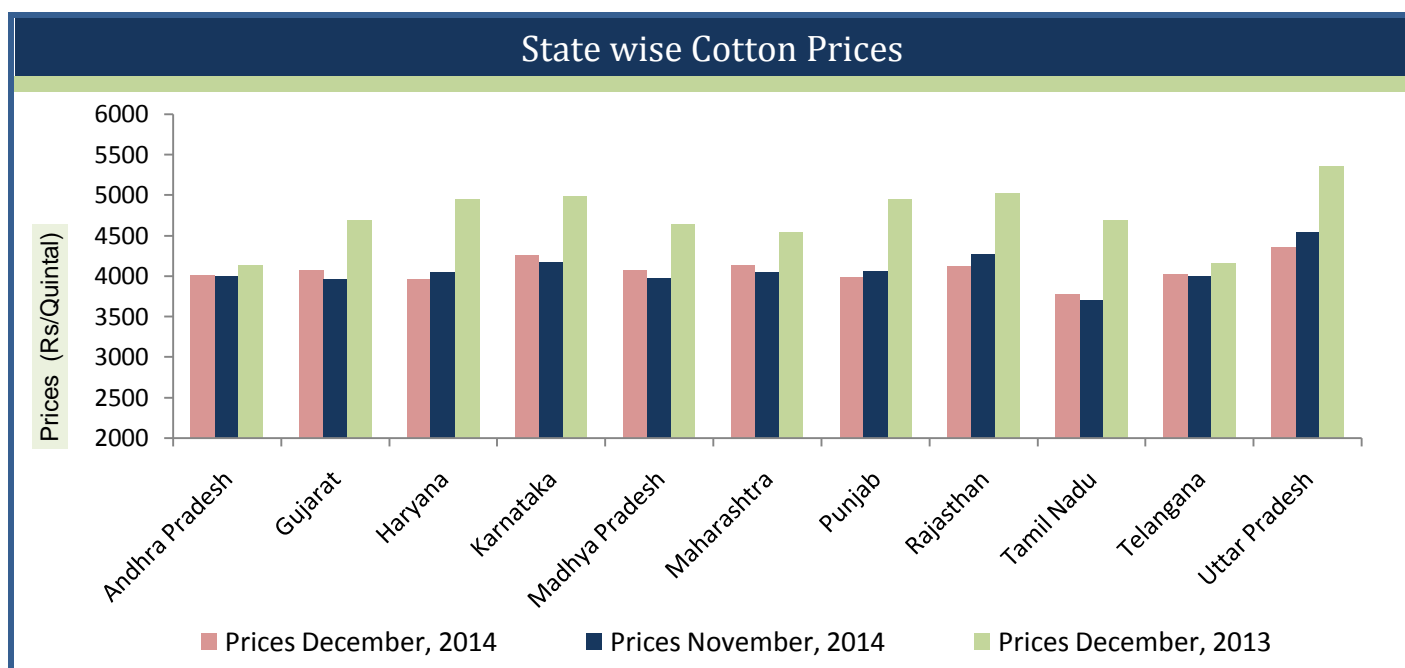


State wise Prices (Rs./Qtl.):

State	Prices December, 2014	Prices November, 2014	Prices December, 2013	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4011.39	3993.12	4137.3	0.46	-3.04
Gujarat	4063.17	3960.49	4689.94	2.59	-13.36
Haryana	3953.44	4046.09	4946.18	-2.29	-20.07
Karnataka	4253.86	4171.18	4990.34	1.98	-14.76
Madhya Pradesh	4069.27	3968.49	4642.45	2.54	-12.35
Maharashtra	4127.46	4051.92	4537.19	1.86	-9.03
Punjab	3982.76	4053.22	4951.29	-1.74	-19.56
Rajasthan	4121.76	4258.89	5020.81	-3.22	-17.91
Tamil Nadu	3776.76	3703.58	4691.23	1.98	-19.49
Telangana	4021.92	3991.5	4161.79	0.76	-3.36
Uttar Pradesh	4346.13	4539.23	5350.33	-4.25	-18.77
Average	4020.86	4067.06	4709.26		

*Source: Agmarknet

Following the leading supplies in domestic and international market, cotton prices are ruling lower when examined year on year basis. Expectation of lower demand by China has also forced the prices to move downwards. Whereas following the improved export demand this month, prices have recovered slightly this month particularly at the major trading states including Gujarat, Maharashtra, Andhra Pradesh etc. A few states which have noticed downtrend on month on basis also are the Haryana, Punjab, Rajasthan and Tamil Nadu.

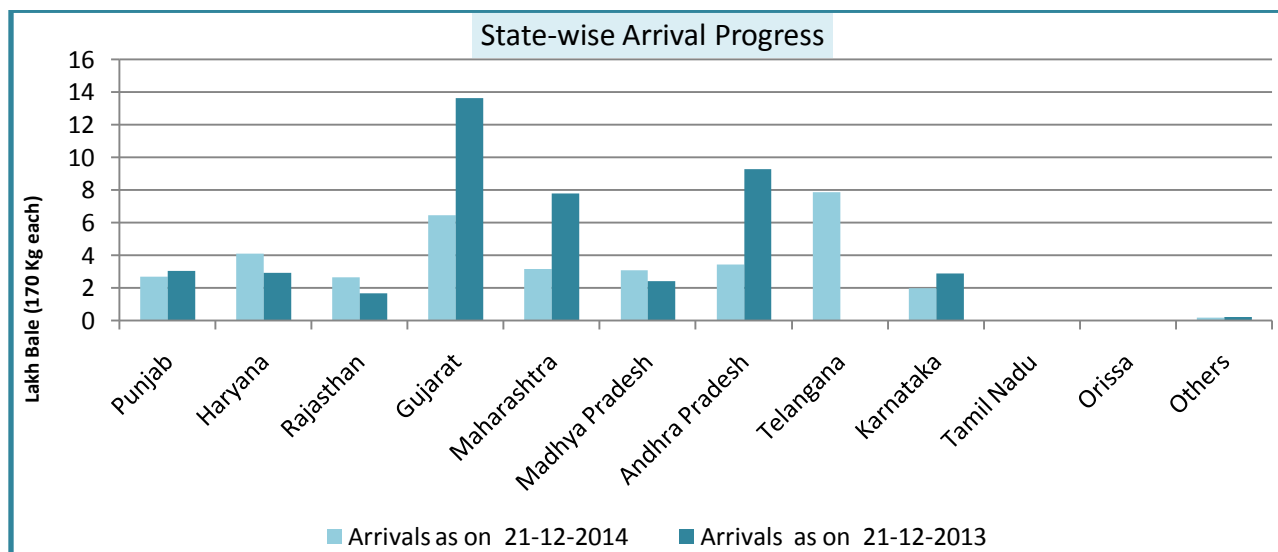


State wise Arrivals (in lakh bales of 170 kgs each):

Table given below showing cotton production and estimated arrivals during 2014-15 season vis-a-vis cotton season 2013-14:

States	2014-15*		2013-14	
	Production as per CAB	Arrivals As on	Production as per CAB	Arrivals As on
	13-10-2014	21-12-2014	02-07-2014	21-12-2013
1. Punjab	14	5.97	21	6.21
2. Haryana	25	8.66	23	6.06
3. Rajasthan	17	7.51	14	3.47
North Total	56	22.14	58	15.74
4.Gujarat	125	19.86	120	31.41
5.Maharashtra	85	14.74	84	19.36
6.Madhya Pradesh	18	6.44	19	5.7
Central Total	228	41.04	223	56.47
7. Andhra Pradesh	50	9.38	76	23.07
8.Telangana	27	23.76	--	--
9. Karnataka	28	7.96	22	9.05
10.Tamil Nadu	5	0	5	0
South Total	110	41.1	103	32.12
11. Orissa	4	0.27	4	0.51
12. Others	2	0.51	2	0.72
Total	6	0.78	6	1.23
Grand Total	400	105.06	390	105.56

* Inclusive of new crop arrivals in September 2014
 ** Quantity in lakh bales (of 170 kgs. each)



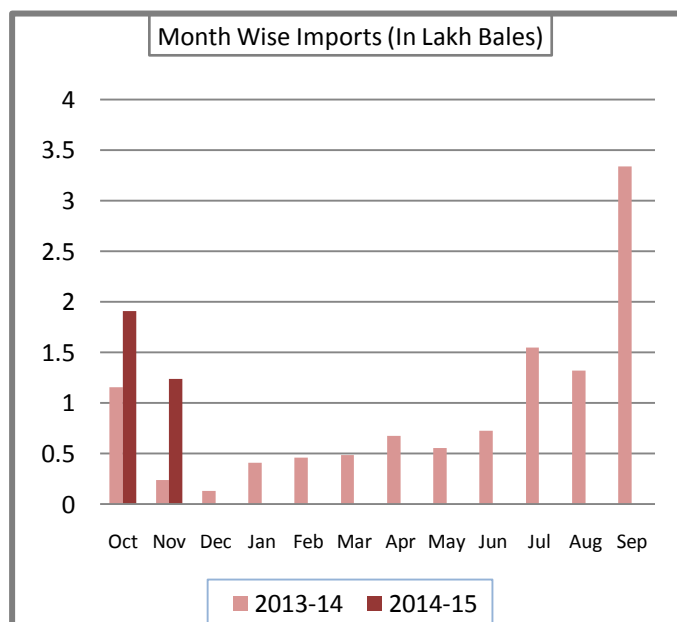
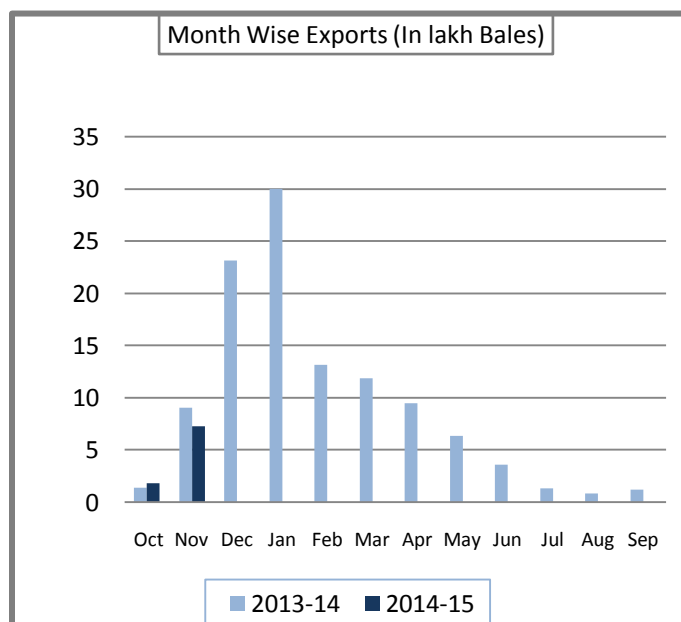
Cotton Export and Import Scenario

Cotton Exports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.43	1.81
Nov	9.06	7.3
Dec	23.12	
Jan	30	
Feb	13.15	
Mar	11.9	
Apr	9.46	
May	6.37	
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
Total	111.5	9.1

Source: IBIS

Cotton Imports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.16	1.91
Nov	0.24	1.24
Dec	0.133	
Jan	0.41	
Feb	0.46	
Mar	0.488	
Apr	0.68	
May	0.56	
Jun	0.73	
Jul	1.55	
Aug	1.32	
Sep	3.34	
Total	11.07	3.15

Source: IBIS



Cotton Yarn Dynamics

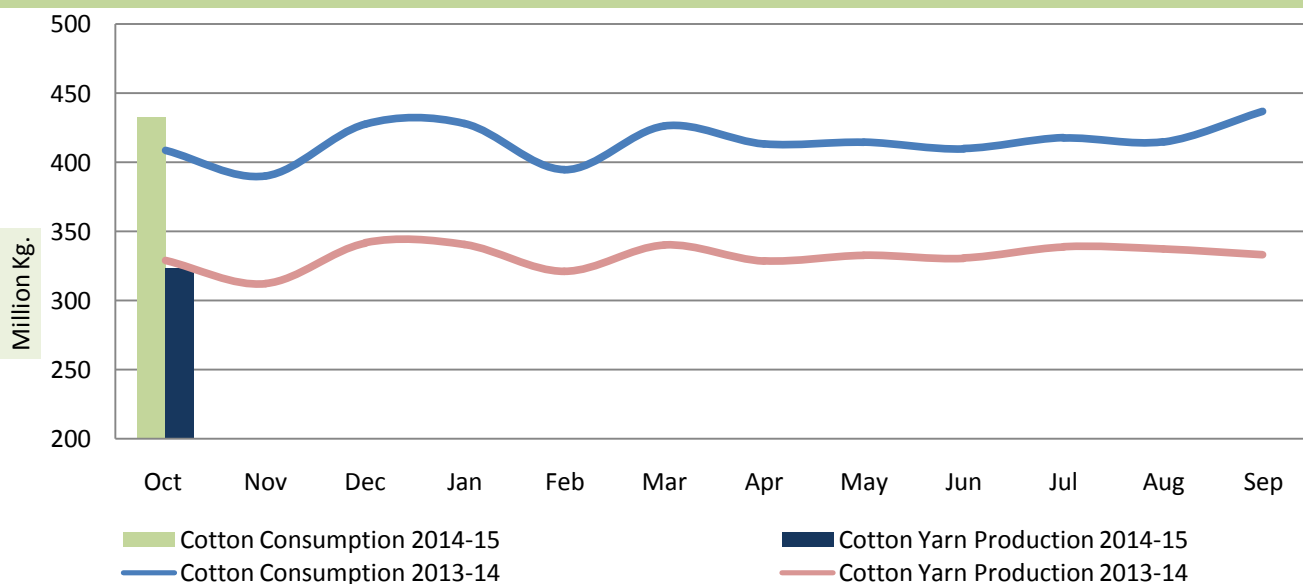
Cotton Consumption and Cotton Yarn Production:

Cotton consumption during the first month of season 2014-15 stood 432.7 million kg., around 6% higher when compared to the consumption of same month in the previous season. Despite the higher consumption of cotton, production of cotton yarn is significantly lower when compared to corresponding month of previous season. According to Cotton Corporation of India (CCI), consumption of cotton by mills would stand around 301 lakh bales this season (2014-15), around 3% higher when compared to previous season.

Month	Cotton Consumption 2013-14	Cotton Consumption 2014-15	Cotton Yarn Production 2013-14	Cotton Yarn Production 2014-15
Oct	408.49	432.7	328.79	323.3
Nov	390.25		312.13	
Dec	427.72		341.67	
Jan	428.16		340.38	
Feb	394.8		321.31	
Mar	426.15		340.2	
Apr	413.36		328.68	
May	414.51		332.92	
Jun	409.82		330.68	
Jul	417.71		338.85	
Aug	414.85		337.32	
Sep	436.9		333.33	

Figures in Million Kg.

Cotton Consumption versus Cotton Yarn Production



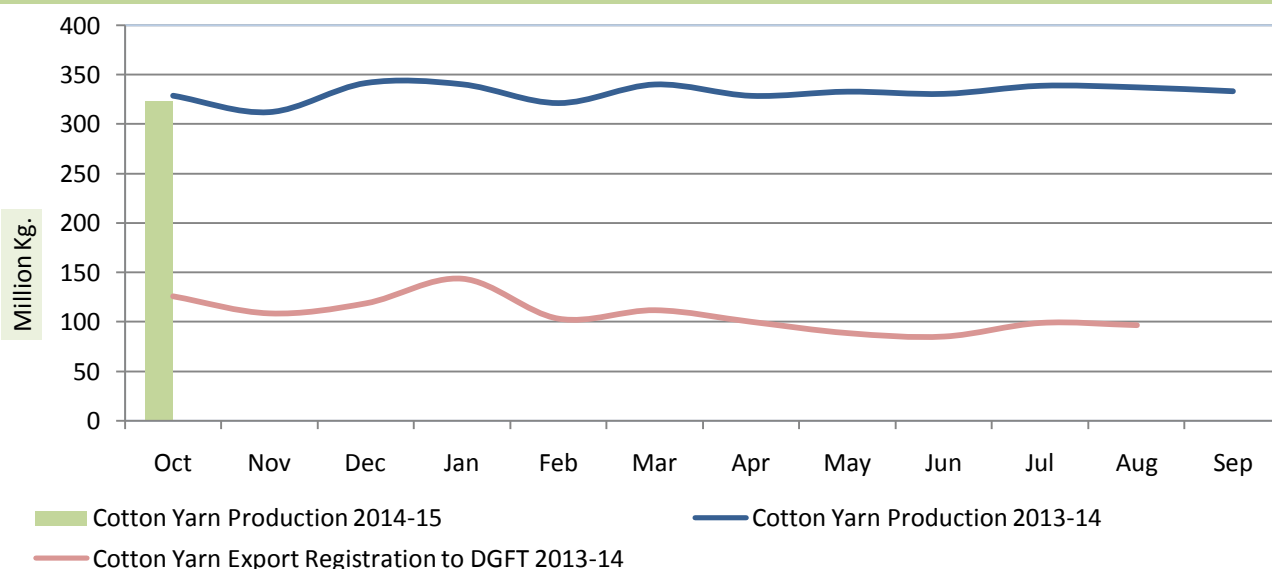
Cotton Yarn Production and Cotton Yarn Export:

Cotton yarn production has recorded the lower figures during the October this season. The same is showing the fall of 1.6% when compared to the same month previous season. India produced 3985.5 million kgs. of cotton yarn by the end of season 2013-14, around 5.3% higher when compared to the cotton yarn production in 2012-13, when it was 3782.75 million kgs. Cotton yarn export registration on other hand is showing the fluctuating trend during 2013-14 and it is ruling lower on month on month basis since April'14.

Month	Cotton Yarn Production 2013-14	Cotton Yarn Production 2014-15	Cotton Yarn Export Registration to DGFT 2013-14	Cotton Yarn Export Registration to DGFT 2014-15
Oct	328.79	323.3	125.88	
Nov	312.13		108.52	
Dec	341.67		118.736	
Jan	340.38		143.813	
Feb	321.31		103.124	
Mar	340.2		111.738	
Apr	328.68		99.926	
May	332.92		88.442	
Jun	330.68		84.949	
Jul	338.85		98.808	
Aug	337.32		96.535	
Sep	333.33			

Figures in Million Kg.

Cotton Yarn Production versus Cotton Yarn Export Registration



Technical Analysis of Cotton Future

Commodity	Kapas
Exchange	NCDEX
Contract Month	April'15



Monthly Technical Outlook:

- Candlesticks denote slight uptrend in the market.
- RSI is moving towards overbought region supporting recovery in near term.
- MACD is showing overall positive movements.
- We expect prices to remain steady to firm in coming days.

Expected price range during coming month:

Expected Trend	Expected Trading Band
Range Bound to Bullish	785-835

Expected Support and Resistance:

Support 1	Support 2	Resistance 1	Resistance 2
770	765	845	855

International Market Scenario

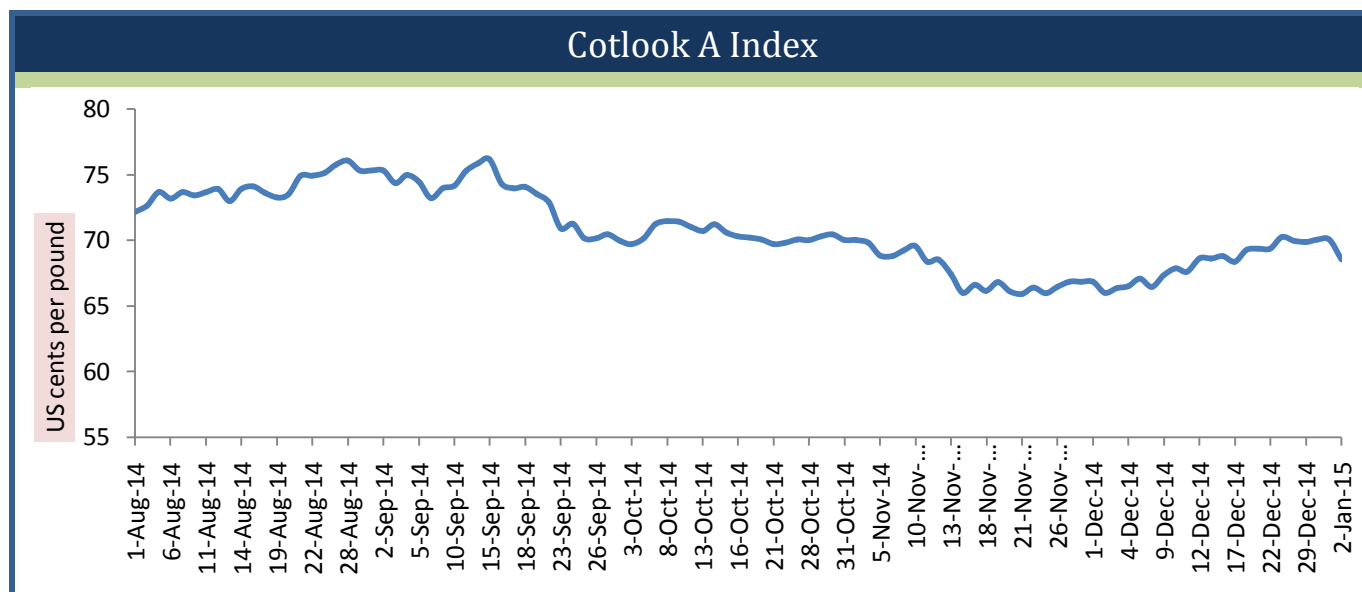
Current Market Scenario: International market noticed sideways movement in prices with firm biasness during December. Cotlook A Index remained in the range of 66.85-70.05 cents during the month. As monthly average, it stood 68.3 cents, 1.20% lower when compared to previous month and around 22% lower when compared to previous year during the corresponding month.

Cotton production in China stood 2.2% lower to 6.16 million tonnes in 2014 when compared to the previous year. The reason for this decline is the falling acreage, which decreased around 3% on year on year basis. Deficit in cotton output in China brings delight to the cotton exporting nations as it increases the possibilities of larger cotton export demand from China, the major consumer in the world.

According to the latest report by USDA, cotton production on the global front would stand around 25.905 million tonnes this season 2014-15 around 1.09% lower when compared to 26.191 million tonnes previous year.

Cotton output in China is expected to be lower what was earlier expected by USDA. Cotton crop in China suffered due to deficit rain in early days and too much rains in later days. Cotton crop which was earlier expected to be around 30 million bales (if bale of 218 kilograms) would stand around 29.31 million bales in the current season.

On reduced acreage this season, cotton output in Australia is expected to fall by almost half in 2014-15, as estimated by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). Area under summer crop is estimated 13% lower for 2014-15 at 974000 hectares which would lead to fall in production and hence cotton output in Australia from the summer crop is likely to be around 3.2 million tonnes in 2014-15.



World Cotton Production

World cotton output is estimated to be around 25.905 million tonnes by USDA for the season 2014-15, slightly lower than the projections of previous month which was 26.042 million tonnes. The change in figure is the result of a slight crop loss expected in USA. The production of cotton during the previous season i.e. 2013-14 was 26.191 million tonnes, marginally higher than the current season, as estimated by USDA.

World Cotton Balance Sheet:

Particulars	2013-14	2014-15*
SUPPLY		
Opening stock	19.596	22.129
Production	26.191	25.905
Imports	8.84	7.46
Availability	54.626	55.491
DEMAND		
Consumption	23.725	24.516
Exports	8.876	7.465
Total Disappearance	32.601	31.981
Ending Stock	22.129	23.531
Source: USDA (*December Advance Estimates by USDA), Figures in Million Metric Tonnes		

Balance Sheet Highlights:

Total availability of cotton is likely to be higher this season (2014-15) due to higher opening stocks, although production and imports would fall but it would not impact total availability.

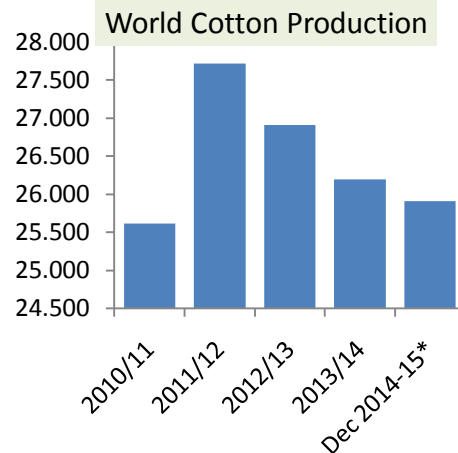
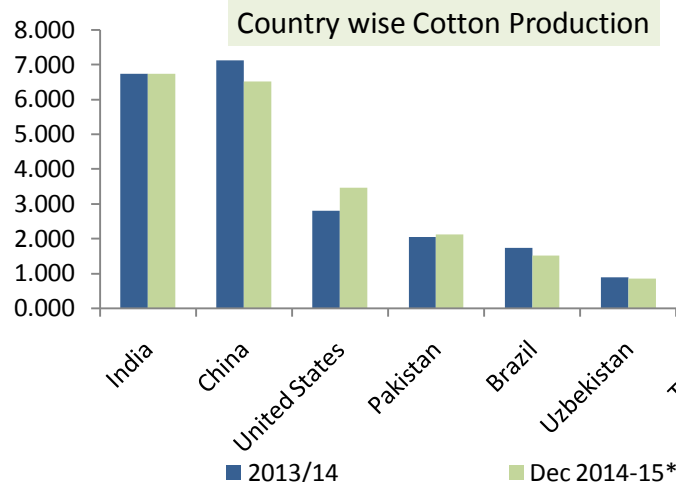
Consumption is likely to increase slightly this season due to higher demand of cotton from south East Asian region, but it would not impact the total demand as exports are declining substantially. On higher availability and weaker total demand, ending stocks this season would be higher.

Global Cotton Production Dynamics:

World cotton output would be on lower side primarily due to lower production in China, Brazil and Uzbekistan in the coming season (2014/15). The cotton production this season is only slightly lower when compared to previous season. As estimated by USDA, cotton production is likely to around 25.905 million tonnes around 1.09% lower when compared to the production of previous season.

As far as India is concerned, USDA estimated the output of 6.750 million tonnes in the current season, same as the production of previous season. Production of cotton in Pakistan and Turkey is likely to be on higher side.

Country wise and Global Cotton Production (In Million Tonnes)



Global Export and Import Scenario:

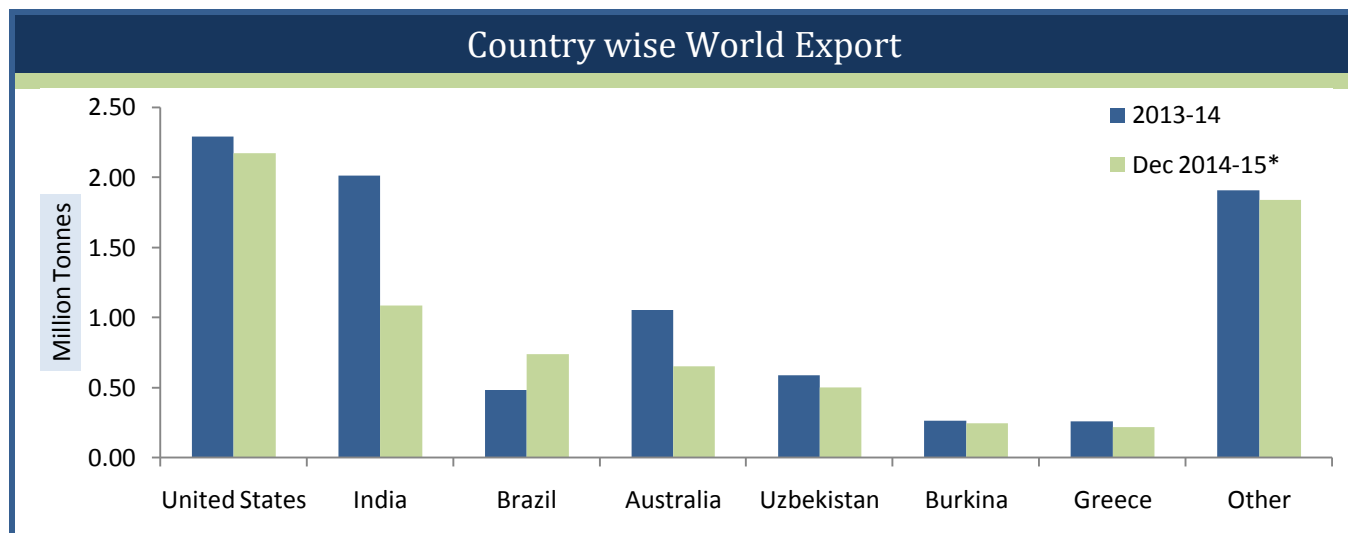
World Exports:

On higher world ending stocks and expectation of weak demand from China is likely to impact world cotton imports significantly. Cotton exports are likely to fall by 15.90% this season.

United States, India and Brazil followed by Australia, Uzbekistan, Burkina and Greece would be the major exporter this year. Except Brazil, the major cotton exporting nations are expected to see fall in the exports.

As far as India is concerned, exports from the country is projected to be around 1.09 million tonnes (around 64 lakh bales; each bale of 170 kg.) around 46.04% lower when compared to exports of previous season which was 2.02 million tonnes (around 11.88 lakh bales; each bale of 170 kg.), as estimated by USDA.

Export	2013-14	2014-15*
United States	2.29	2.18
India	2.02	1.09
Brazil	0.49	0.74
Australia	1.06	0.65
Uzbekistan	0.59	0.50
Burkina	0.27	0.25
Greece	0.26	0.22
Other	1.91	1.84
Total	8.88	7.47
*USDA Dec advance estimate, All figures in Million Metric Tonnes		



World Imports:

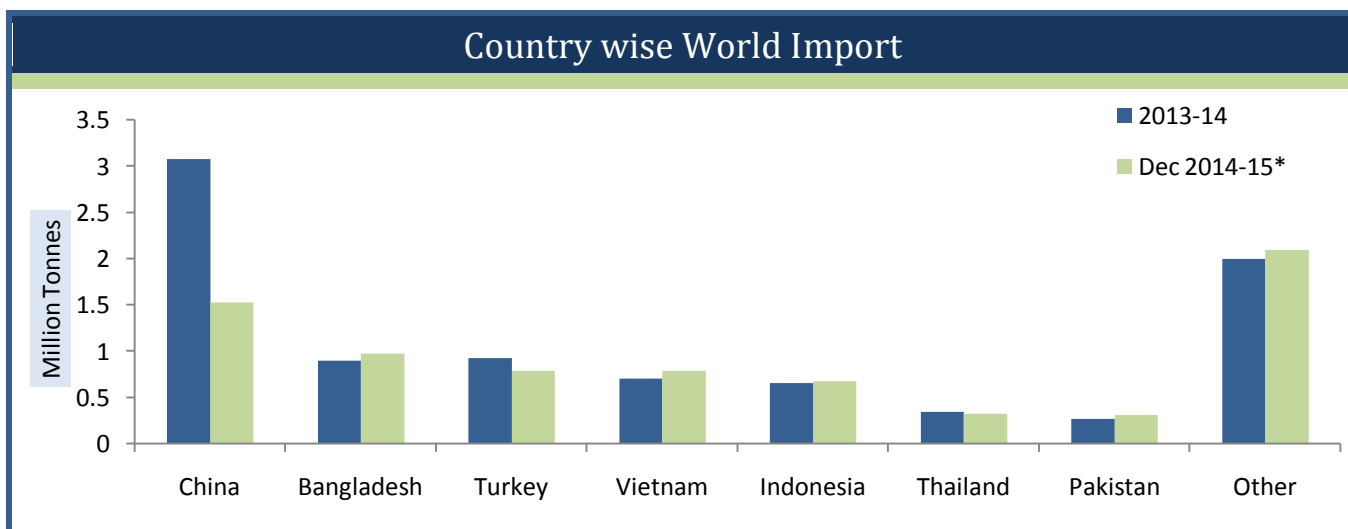
World cotton imports are expected to notice a fall of 15.61% as China, the major consumer, will import lesser this season. China is likely to cut its imports drastically this season due to its increasing cotton stockpiles. Share of China in World ending stocks recorded 62% by the end of previous season.

Turkey will also diminish its imports on higher production this season. Turkey is expected to produce 697 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	0.784
Vietnam	0.697	0.784
Indonesia	0.651	0.675
Thailand	0.337	0.321
Pakistan	0.261	0.305
Other	1.999	2.095
Total	8.836	7.457

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

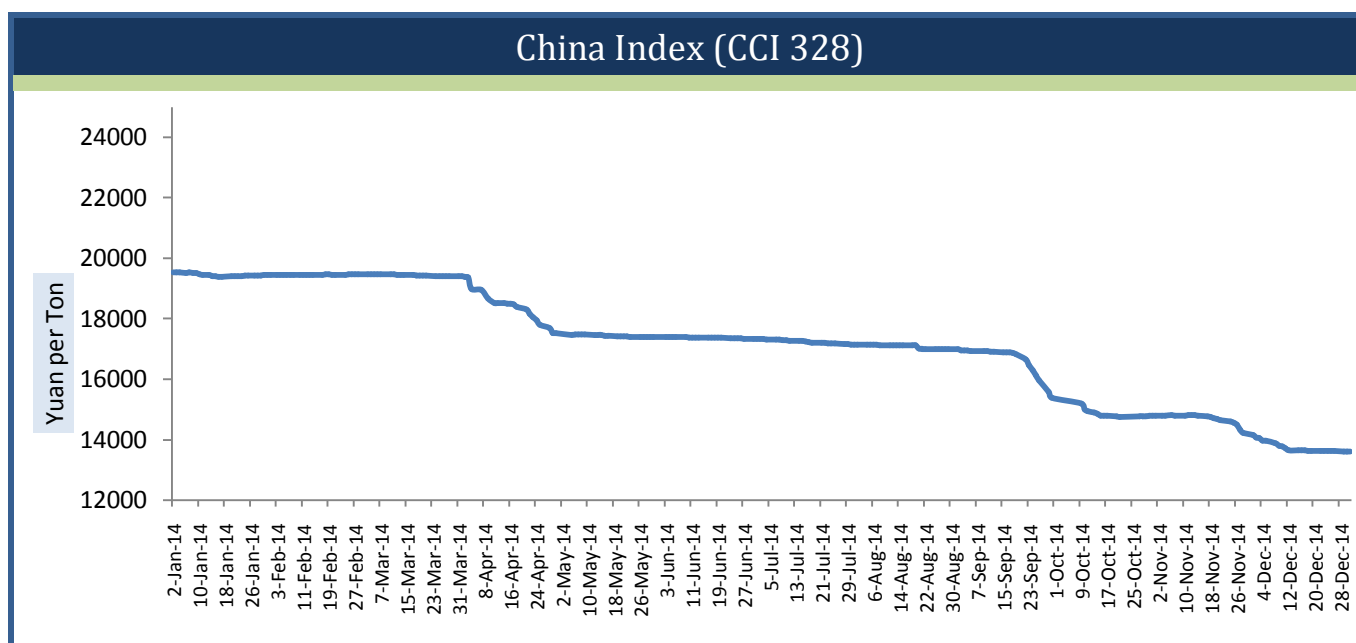
Other than China, Turkey and Thailand, major importer of cotton including Bangladesh, Vietnam, Indonesia and Pakistan are expected to see rise in the imports, due to increased demands by their textile industries.



International Prices and Indices

China Cotton Index

CC Indices	Prices as on		% Change
	December'14	November'14	
CC Index(229)	14389	15216	-5.44
CC Index(328)	13743	14684	-6.41
CC Index(527)	12809	13603	-5.84
Figures in Yuan per Ton			



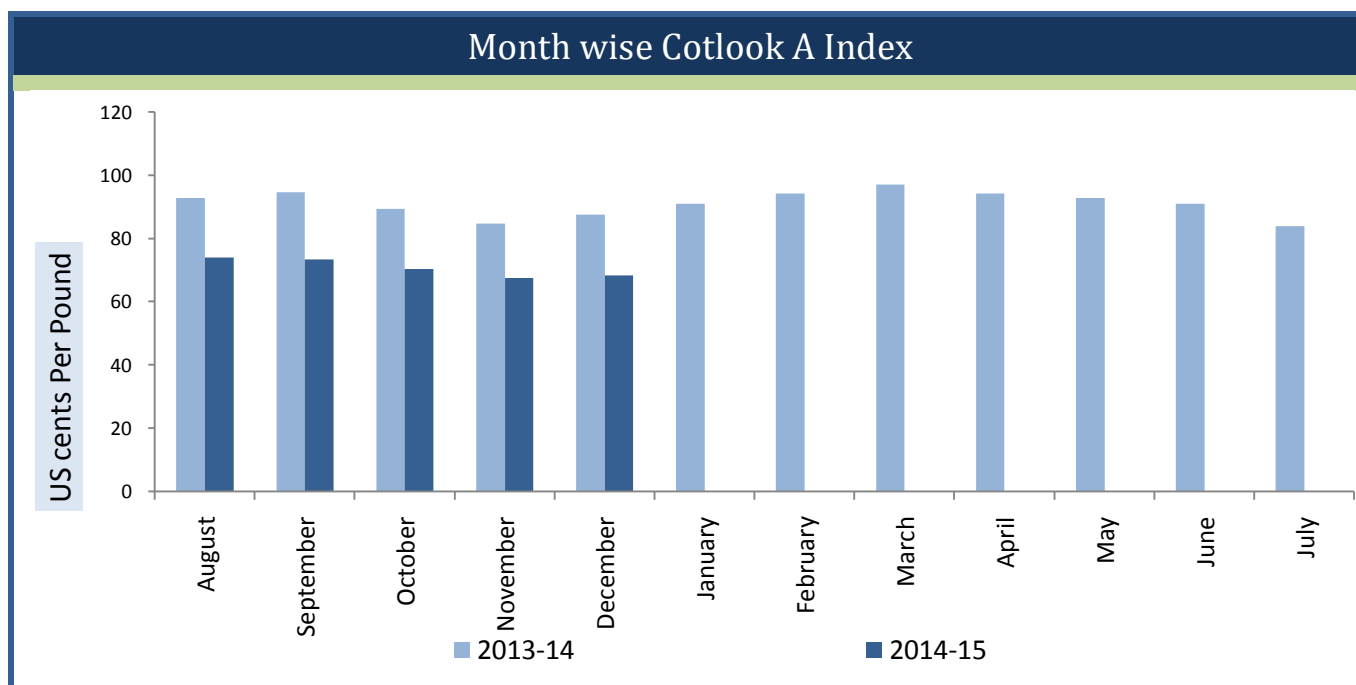
Cotlook A Index

Cotlook A Index	Monthly Average Price		% Change
	December'14	November'14	
Price	68.3	67.49	1.20
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	67.49	-20.27
December	87.49	68.3	-21.93
January	90.96		
February	94.05		
March	96.94		
April	94.2		
May	92.7		
June	90.89		
July	83.83		

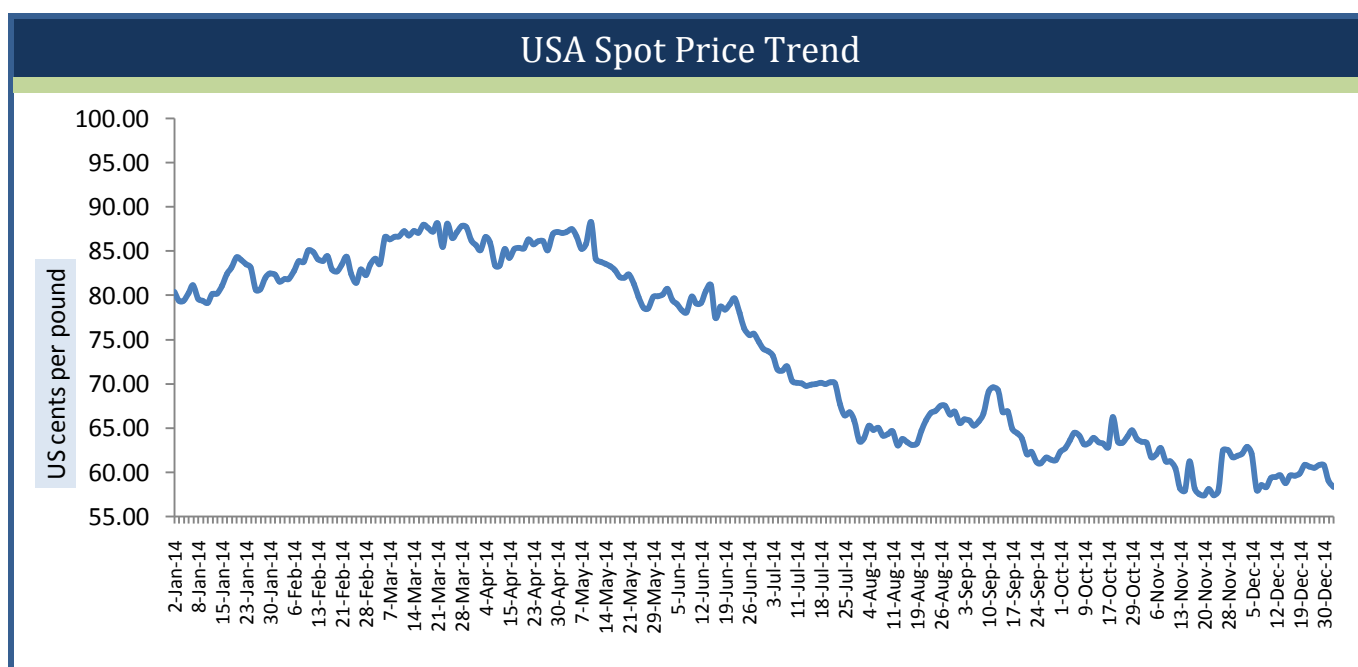
Figures in US cents per pound



USA Spot Prices

Cotton spot prices in USA have improved slightly on the expectation of crop loss in the region. In December estimates, USDA guessed 3.46 million tonnes of cotton output in the current season which was earlier estimated to around 3.57 million tonnes in November. Also the overseas demand, particularly from China has improved the demand situation and hence the prices.

Monthly Average USA Spot Prices			
Date	December'14	November'14	% Change
Prices	60.23	60.11	0.20
Figures in US Cents per Pound			



ICE Cotton Future:

Contracts	31-Dec-14	28-Nov-14	31-Dec-13	% Month Change	% Y-o-Y Change
Oct-14	60.27	60.08	78.96	0.32	--
Dec-14	61.07	60.95		0.20	--
Mar-14	62.00	61.84		0.26	--
May-14	63.28	63.36		-0.13	--
Jul-14	64.42	64.36		0.09	--
Oct-14	65.45	--		--	--

Source: MRCI, Figures in US Cents Per Pound

Technical Analysis of Cotton Future

Commodity	Cotton
Exchange	ICE
Contract Month	Mar'15



Monthly Technical Outlook:

- Candlesticks are showing uptrend in the prices previous month.
- Overall parallel movement of Prices, Volume and Open Interest depicts firmness.
- We expect prices to remain range bound with firm biasness.

Expected Price Range During Coming Month

Expected Trend	Expected Trading Band
Range Bound to Bullish	58.80-63.60

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
58.60	58.00	64.00	64.60

Source : MRCI

All figures in US cents per pound

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