

## Cotton Domestic Fundamental

**Current Market Scenario: Cotton market noticed sideways to weak momentum during the month (February'15).** Prices of Kapas at Rajkot remained sideways to weak, with the range of Rs. 3960-4060 per quintal during February 2015 which was Rs. 3925-4215 per quintal previous month.

**Government of Madhya Pradesh has decided to lower the mandi tax levied on cotton** grown in the state to 1% which was 2% earlier. It should be noted that state generate the revenue of Rs 50 crore approximately by levying the 2% mandi tax on cotton but to safeguard the interest of farmers, state has decided to cut the same to half to 1%.

**Union Budget has upset the textile industry by announcing the allocation of Rs 1520 crore** as Technology Upgradation Fund Scheme (TUFS) for year 2015-16, which was Rs 1864 crore in 2014-15. Also budget has not considered any of demand proposed by the textile industry which includes the reduction in excise duty, removal of anti dumping duty, interest rate cap at 7% for exporter etc.

**No relief has been announced in the Union Budget for the three million distressed dry land farmers** of Vidarbha who all are growing cash crop including cotton and soybean, said Vidarbha Jan Andolan Smiti (VIAS).

**Cotton production in India could fall by 4.28 percent in the next season to 6.48 million tons** compared to 6.77 million tons in the current season, said International Cotton Advisory Committee (ICAC).

**Despite the lower output, cotton export from India is expected to rise in 2015-16.** According to ICAC, cotton exports from India in 2015-16 would be around 1.41 million tons around 16.82% higher when compared to the export of current season which would be around 1.207 million tons. The causes of this significant change in Indian cotton exports are basically the fall in cotton production in China and the world, higher import demand from China and lower world ending stocks in 2015-16.

**India Rating and Research (Ind-Ra) has downwardly revised the cotton outlook for MY 2015-16.** According to Ind-Ra domestic prices in 2015-16 would remain under pressure following the fall in domestic yarn production, unlikely recovery in cotton export and falling of domestic prices below the minimum support prices (MSP). Ind-Ra added that revised cotton reserve policy of China will increase the cotton sales from the country stocks and hence import in China will fall to half in 2015-16. Cotton price (benchmark Shankar-6) will trade between Rs 40-45 per kg and lint will be in the range of Rs 85-100 per kg in the next season. Also, the stock to use ratio would be 12 percent in MY 2015-16 compared to 12.2 percent in the 2014-15.

**Department of Agriculture & Cooperation (DAC) has raised the cotton production estimates for the season 2014-15** in its second advance estimates. DAC projected cotton production in the country to stand around 351.52 lakh bales which was earlier earlier estimated 346.2 lakh bales in the first advance estimates against the target of 350 lakh bales. According to DAC cotton production during the last season i.e. 2013-14 was around 365.90 lakh bales.

### Domestic Balance Sheet

All figures in Lakh Bales (of 170 Kgs. Each)			
Item	2013-14*	2014-15*	% Change
<b>Supply</b>			
Opening stock	40	32	-20
Crop size	398	400	0.5
Imports	10.8	7	-35.2
Availability	448.8	439	-2.2
<b>Demand</b>			
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 (2014-15):

According to CCI, opening stocks stood 20% lower this season (2014-15) compared to the previous. Production would be on higher side slightly in the current season following the higher acreage in the country. As per the 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 would remain weak as there is ample supply in domestic market and domestic prices are ruling weak which would diminish the cotton imports. Lower opening stocks and lesser imports will hence make the total supply lower compare to the previous season.

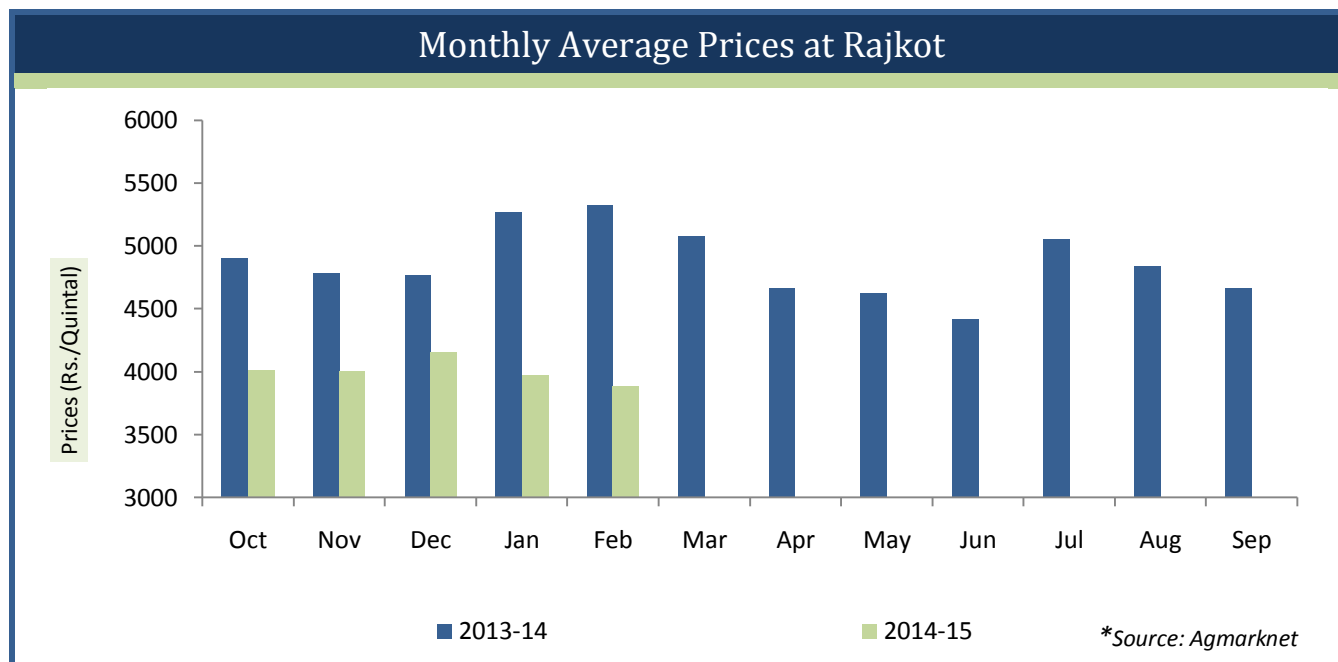
Consumption of cotton in country is likely to increase on amplified demand from textile and garments industry, but it would not cause any supply deficit because of enough availability in the country. Exports are expected to see a remarkable fall because China will import lesser due to restrictive import policy, which is announced to terminate the cotton stockpiling program.

### Cotton Crop Prospects for Season 2015-16:

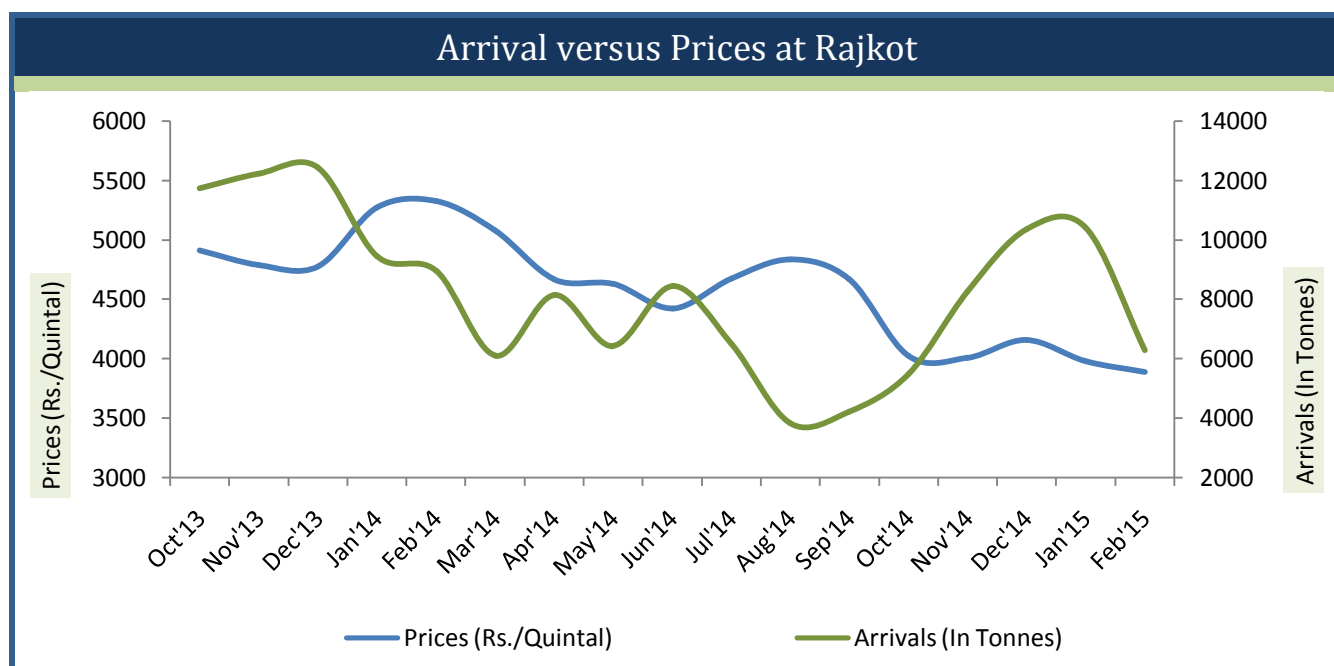
Acreage of cotton in India in the coming season is likely to drop by 5% to 11.6 million hectares due to the drastically falling cotton prices in the country, said ICAC. Cotton production in India could fall by 4.28 percent in the next season to 6.48 million tons compared to 6.77 million tons in the current season, said International Cotton Advisory Committee (ICAC).

Cotton export from India is expected to rise in 2015-16. According to ICAC, cotton exports from India in 2015-16 would be around 1.41 million tons around 16.82% higher when compared to the export of current season which would be around 1.207 million tons.

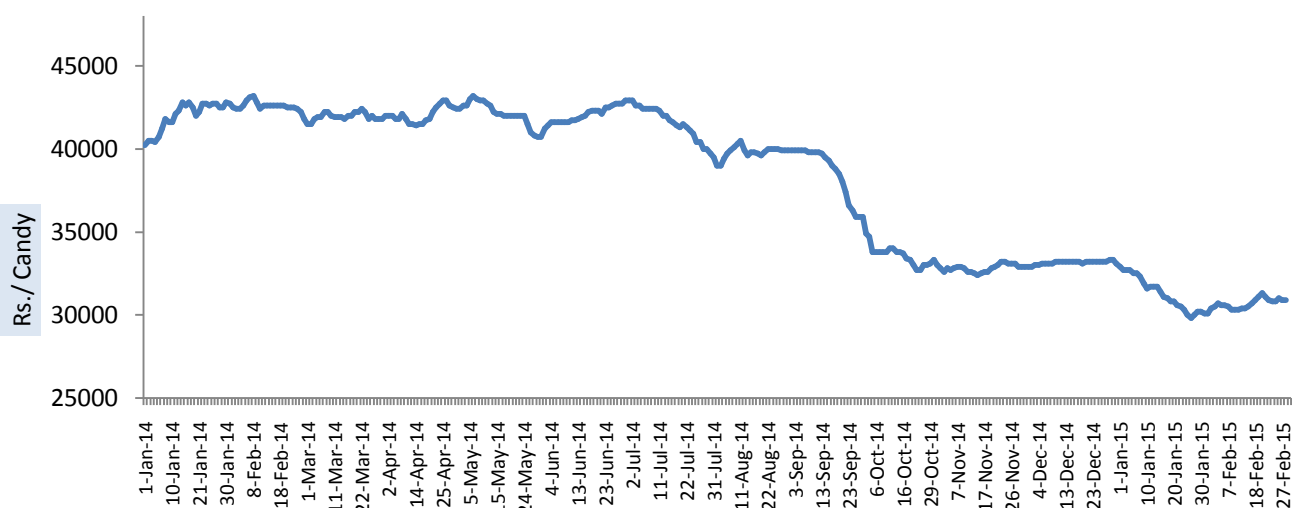
### Domestic Prices and Arrival Trend



Due to demand deficit led by leading supply on global and domestic front and import cut by China, cotton prices in India are falling downwards. Monthly average price of Kapas at Rajkot, according to agmarknet, remained Rs. 3888 per quintal during February, around 2.2% lower when compared to the previous month and 27% lower when compared to the same month during the previous year.

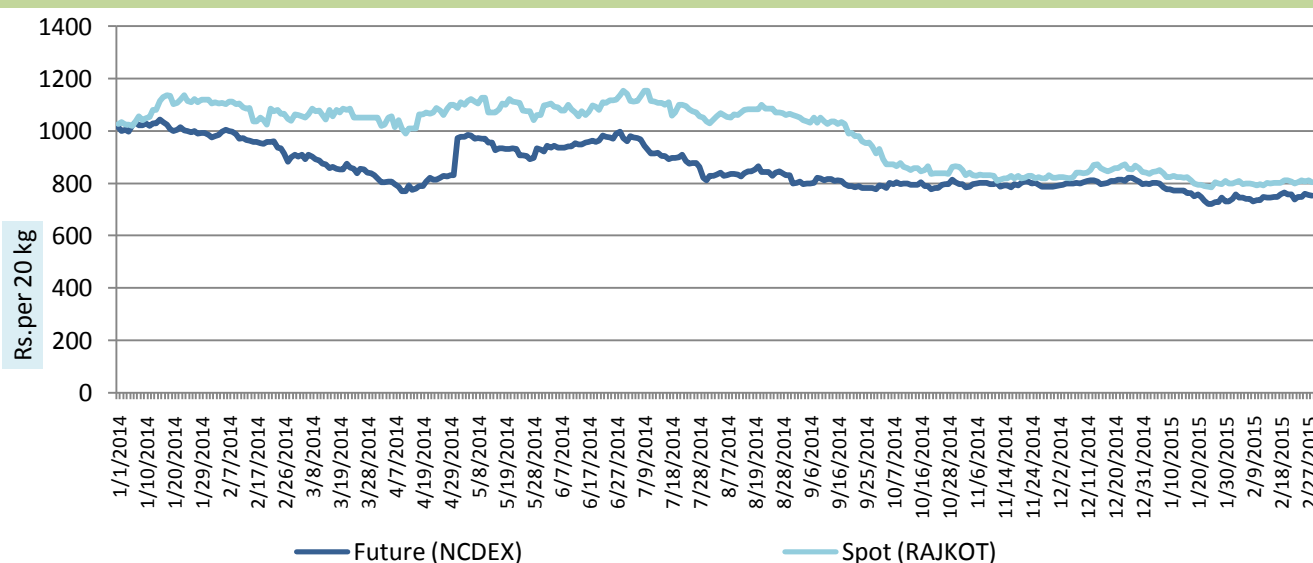


### Shankar-6 (CAI Spot Prices)



Monthly average prices of lint cotton remained weak during the month of February this year. Average price of Shankar-6 remained Rs. 30690 per candy (of 356 kg each) in February, around 2.09% lower when compared to the average prices of previous month and around 28% lower when compared to the prices of same month during the previous year.

### Spot (Rajkot) versus Future (NCDEX) Price Trend

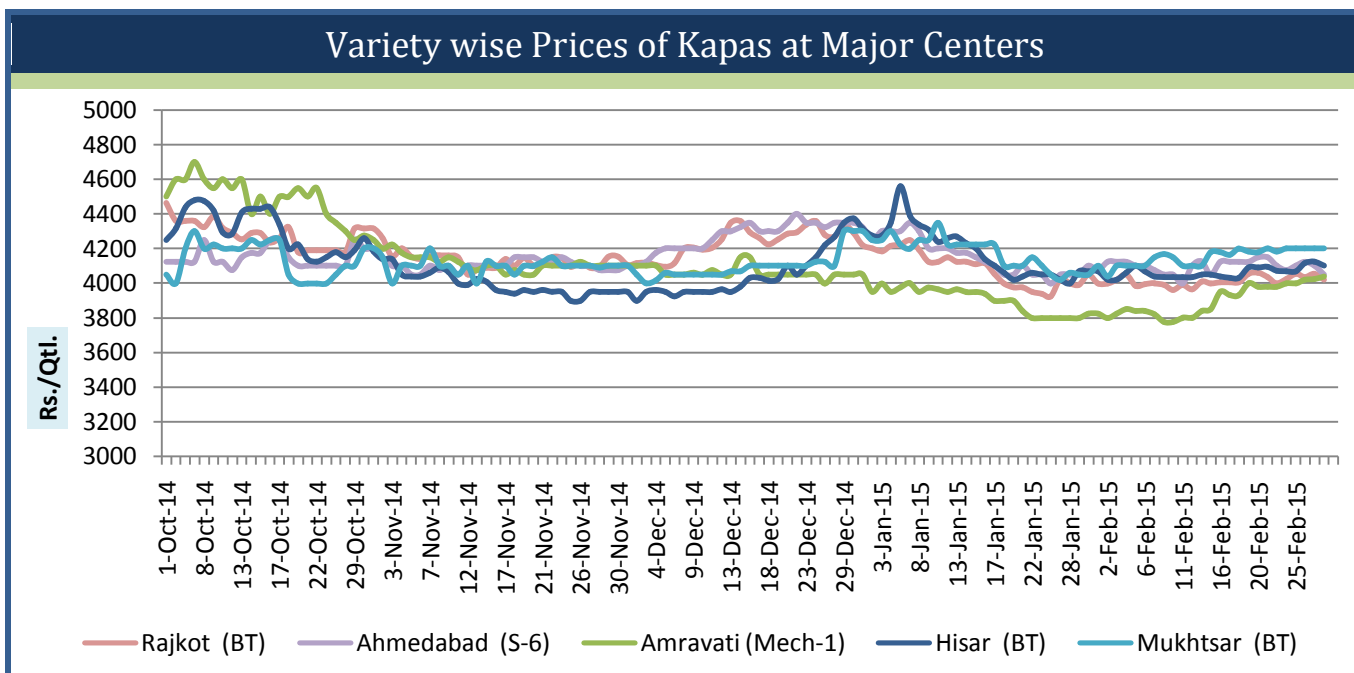


Future price of Kapas at NCDEX closed at Rs. 752 per maund (of 20 kg each) on February 28<sup>th</sup> 2015, around 2.87% higher when compared to the closing price of previous month and 14.93% lower when compared to the closing price of same month during last year.

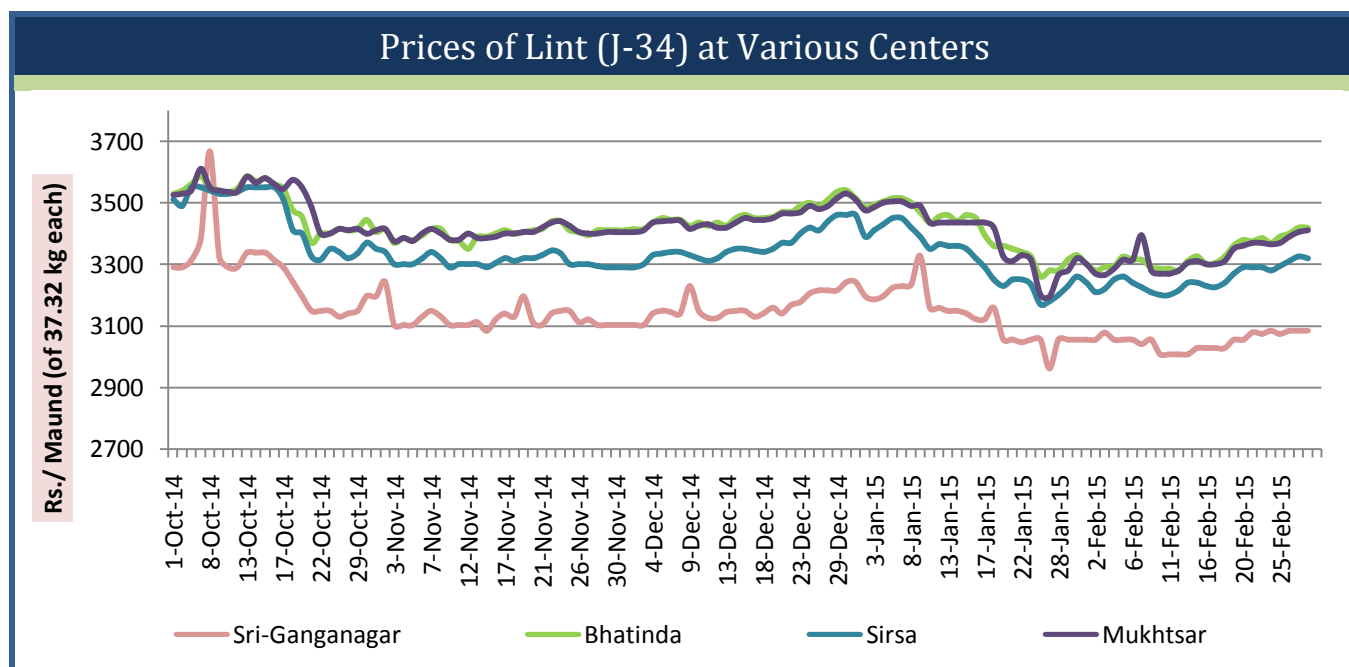
**Cotton Prices at Key Spot Market:**

Centre	Variety	Monthly Average Prices		Change
		Feb'15	Jan'15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	3915	3900	15
Khandwa	Mech-1	4050	4090	-40
Khargaon	Mech-1	4050	4090	-40
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4180	4215	-35
Rajkot	B.T. Cotton	4015	4085	-70
Patan	B.T. Cotton	4090	4155	-65
Deesa	B.T. Cotton	3940	4030	-90
Muktsar	B.T. Cotton	4160	4155	5
Fazilika	B.T. Cotton	4200	4245	-45
Bhiwani	B.T. Cotton	4120	4240	-120
Adampur	B.T. Cotton	4070	4195	-125
Fatehabad	B.T. Cotton	4085	4190	-105
Dabwali	B.T. Cotton	3985	4105	-120
Jind	B.T. Cotton	4155	4245	-90
Uchana (Jind)	B.T. Cotton	4080	4220	-140
Rawatsar (Hanumangarh)	B.T. Cotton	4050	4100	-50
Hubli	B.T. Cotton	4035	4170	-135
Hathras	B.T. Cotton(US)	3530	3985	-455
Hanumangarh	B.T. Cotton	4130	4165	-35
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4100	4170	-70
Gondal	Shankar-6	4015	4110	-95
	<b>Kapas</b>			
Bijapur	Bunny	NA	4140	-
Hubli	D.C.H.	3910	4700	-790
Raichur	H-44 Cotton	4030	4050	-20
	<b>Lint</b>	<b>(Rs./Maund of 37.32kg each)</b>		
Abohar	J-34	3330	3390	-60
Muktsar	J-34	3330	3370	-40
Fazilika	J-34	3320	3410	-90
Bhatinda	J-34	3340	3405	-65
Mansa	J-34	3320	3380	-60
Sirsa	J-34	3255	3315	-60
Sri-Ganganagar	J-34	3100	3130	-30

**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 Cotton Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy*	Rs. Per Candy*	Change
				Feb'15	Jan'15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29725	30945	-1220
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30225	31480	-1255
J-34(202)	26mm	3.5 - 4.9	23	30445	31045	-600
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	29965	30790	-825
Shankar-6(105)	29mm	3.5 - 4.9	28	30690	31345	-655
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33245	32920	325
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34245	33970	275
DCH-32(107)	34mm	3.0 - 3.8	33	41617	43864	-2247

*\*(of 356 kg each) \*\*Monthly Average Prices*

**Cotton Arrivals in Key Centers:**

Centre	Variety	Monthly Arrivals Sum (Qtl)		Change
		Feb'15	Jan'15	
Amravati	Mech-1	190600	286400	-95800
Khandwa	Mech-1	13200	6900	6300
Khargaon	Mech-1	86000	46500	39500
Mahesana(Kadi)	B.T. Cotton	925000	501000	424000
Rajkot	B.T. Cotton	66980	99700	-32720
Patan	B.T. Cotton	172898	247842	-74944
Deesa	B.T. Cotton	22625	41010	-18385
Fazilika	B.T. Cotton	5550	10850	-5300
Muktsar	B.T. Cotton	5007	NA	-
Bhiwani	B.T. Cotton	29451	36000	-6549
Adampur	B.T. Cotton	11390	11135	255
Fatehabad	B.T. Cotton	19675	10940	8735
Dabwali	B.T. Cotton	8375	17380	-9005
Jind	B.T. Cotton	9758	10702	-944
Uchana	B.T. Cotton	32000	31915	85
Rawatsar	B.T. Cotton	4035	2500	1535
Hubli	B.T. Cotton	1201	1748	-547
Hathras	B.T. Cotton	NA	300	-
Hanumangarh	B.T. Cotton	76400	39000	37400
Ahmedabad	Shankar-6	1572925	1452650	120275
Gondal	Shankar-6	31892	47395	-15503
Bijapur	Bunny	NA	28636	-
Hubli	D.C.H.	72	828	-756
Raichur	H-44 Cotton	42047	43443	-1396
Abohar	J-34	16235	14535	1700
Bhatinda	J-34	374850	338810	36040
Mansa	J-34	23545	13090	10455
Sirsa	J-34	24395	24650	-255
Sri-Ganganagar	J-34	156060	113900	42160



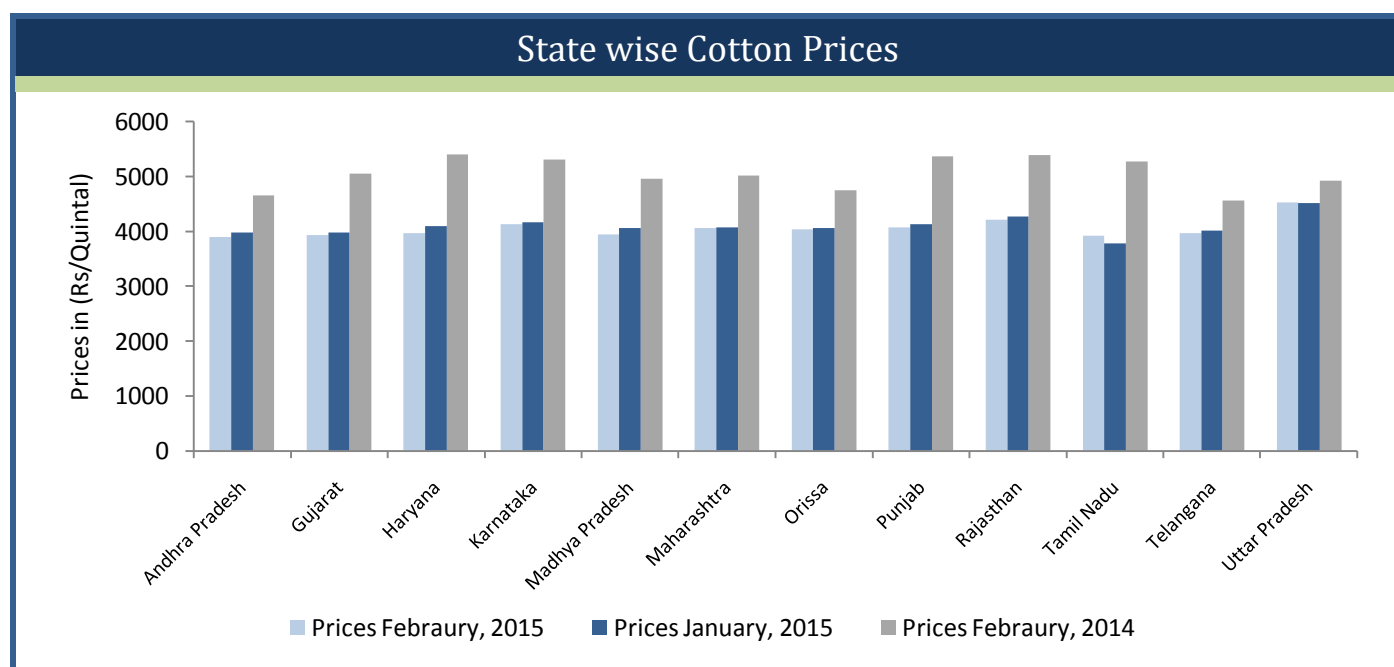
### State wise Scenario

#### State wise Prices (Rs./Qtl.):

State	Prices February, 2015	Prices January, 2015	Prices February, 2014	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	3886.96	3972.9	4652.86	-2.16	-16.46
Gujarat	3923	3973.29	5039.45	-1.27	-22.15
Haryana	3966.2	4089.67	5393.28	-3.02	-26.46
Karnataka	4126.89	4160.74	5298.17	-0.81	-22.11
Madhya Pradesh	3939	4052.2	4950.15	-2.79	-20.43
Maharashtra	4050.28	4060.71	5006.12	-0.26	-19.09
Orissa	4027.6	4058.77	4736.52	-0.77	-14.97
Punjab	4063.34	4126.71	5360.84	-1.54	-24.2
Rajasthan	4203.37	4259.37	5384.69	-1.31	-21.94
Tamil Nadu	3913.74	3780.24	5267.86	3.53	-25.71
Telangana	3958.59	4010.29	4551.52	-1.29	-13.03
Uttar Pradesh	4524.26	4508.43	4916.99	0.35	-7.99
Average	4302.01	4087.78	5307.02		

\*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. On month on month basis too prices have moved lower in all of the states except Tamil Nadu and Uttar Pradesh.

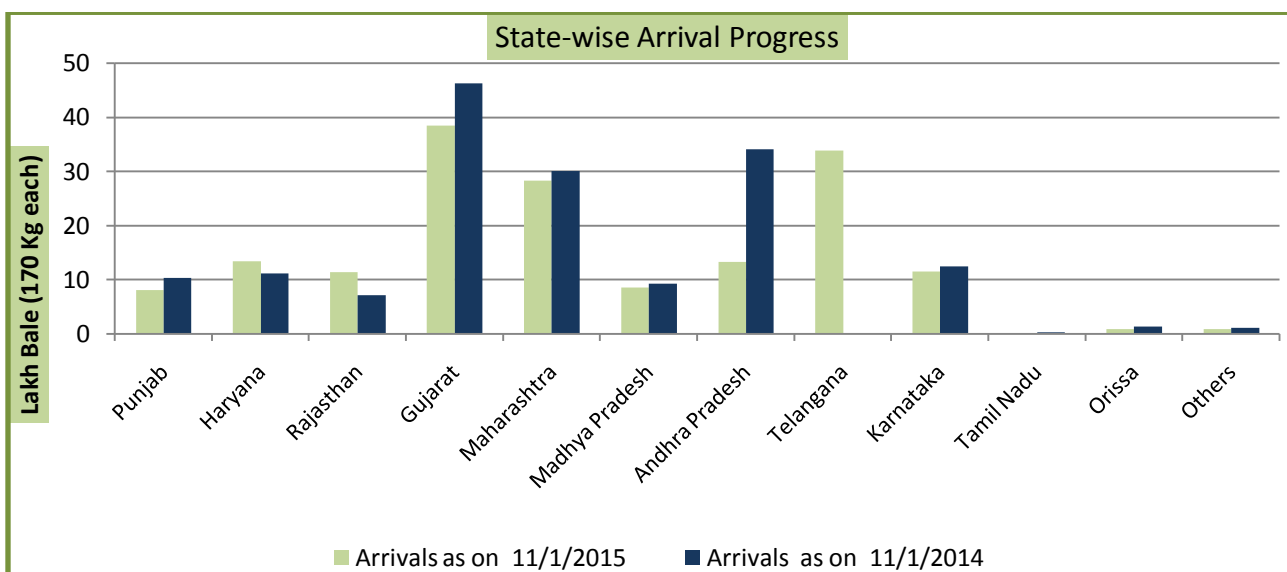


**State wise Arrivals (in lakh bales of 170 kgs each):**

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	11-01-2015	02-07-2014	11-01-2014
1. Punjab	14	8.02	21	10.27
2. Haryana	25	13.41	23	11.06
3. Rajasthan	17	11.38	14	7.09
North Total	<b>56</b>	<b>32.81</b>	<b>58</b>	<b>28.42</b>
4. Gujarat	125	38.46	120	46.19
5. Maharashtra	85	28.29	84	30.06
6. Madhya Pradesh	18	8.55	19	9.2
Central Total	<b>228</b>	<b>75.3</b>	<b>223</b>	<b>85.45</b>
7. Andhra Pradesh	50	13.24	76	34.02
8. Telangana	27	33.79	--	--
9. Karnataka	28	11.43	22	12.45
10. Tamil Nadu	5	0	5	0.24
South Total	<b>110</b>	<b>58.46</b>	<b>103</b>	<b>46.71</b>
11. Orissa	4	0.86	4	1.33
12. Others	2	0.88	2	1.05
Total	<b>6</b>	<b>1.74</b>	<b>6</b>	<b>2.38</b>
Grand Total	<b>400</b>	<b>168.31</b>	<b>390</b>	<b>162.96</b>

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



### Cotton Export and Import Scenario

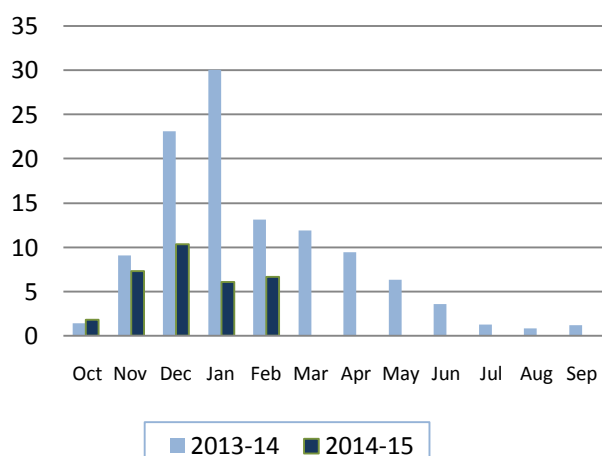
Cotton Exports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.43	1.81
Nov	9.06	7.3
Dec	23.12	10.34
Jan	30	6.11
Feb	13.15	6.68
Mar	11.9	
Apr	9.46	
May	6.37	
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
<b>Total</b>	<b>111.5</b>	<b>32.2</b>

Source: IBIS

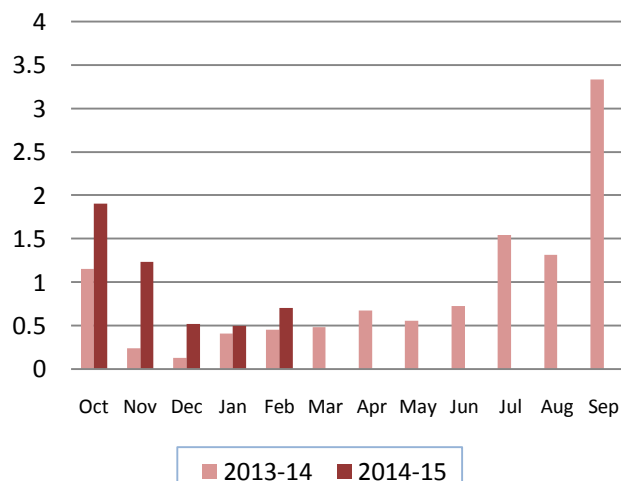
Cotton Imports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.16	1.91
Nov	0.24	1.24
Dec	0.133	0.52
Jan	0.41	0.5
Feb	0.46	0.71
Mar	0.488	
Apr	0.68	
May	0.56	
Jun	0.73	
Jul	1.55	
Aug	1.32	
Sep	3.34	
<b>Total</b>	<b>11.07</b>	<b>4.88</b>

Source: IBIS

Month Wise Exports (In lakh Bales)



Month Wise Imports (In Lakh Bales)



According to the IBIS data, cumulative exports this season during the period of Oct'14-Feb'15 stood 32.2 lakh bales, around 58.05% lower when compared to the export during the same period last season, which was 76.7 lakh bales. Imports on the other hand recorded on the higher side during the initial months of the seasons. Cumulative Import for the period of Oct'14-Feb'15 remained 4.88 lakh bales which was 2.4 lakh bales in the previous season during the same period.

## Cotton Yarn Dynamics

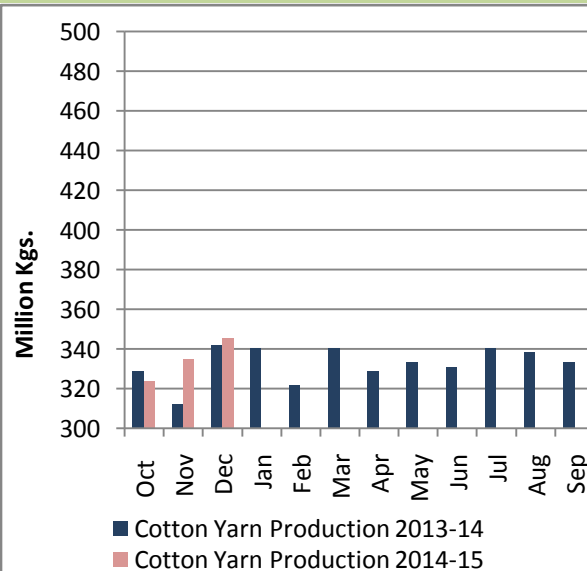
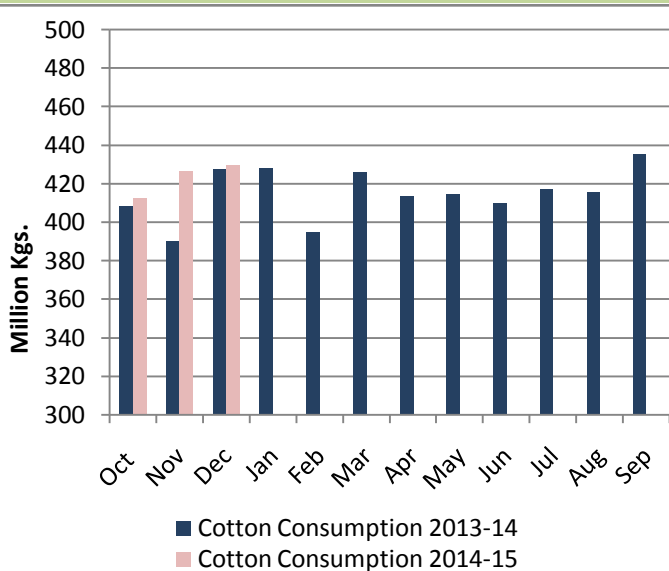
### Cotton Consumption and Cotton Yarn Production:

As estimated by CCI, cotton consumption this season would remain higher by around 4%. Following the projections, cumulative cotton consumption in the Initial two month of season remained 3.45% higher at 1269 million kgs which was 1226 million kgs in the previous year during the same period. Cotton yarn production too remained higher this season by around 2.07%. Cotton yarn production in Oct-Dec'14 remained 1003.36 million kgs which was 982.59 million kgs previous season.

Month	Cotton Consumption 2013-14	Cotton Consumption 2014-15	Cotton Yarn Production 2013-14	Cotton Yarn Production 2014-15
Oct	408.49	412.67	328.79	323.3
Nov	390.25	426.43	312.13	334.67
Dec	427.72	429.7	341.67	345.39
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		330.69	
Jul	417.22		340	
Aug	415.86		338.09	
Sep	435.47		333.19	

*Figures in Million Kg.*

### Cotton Consumption versus Cotton Yarn Production

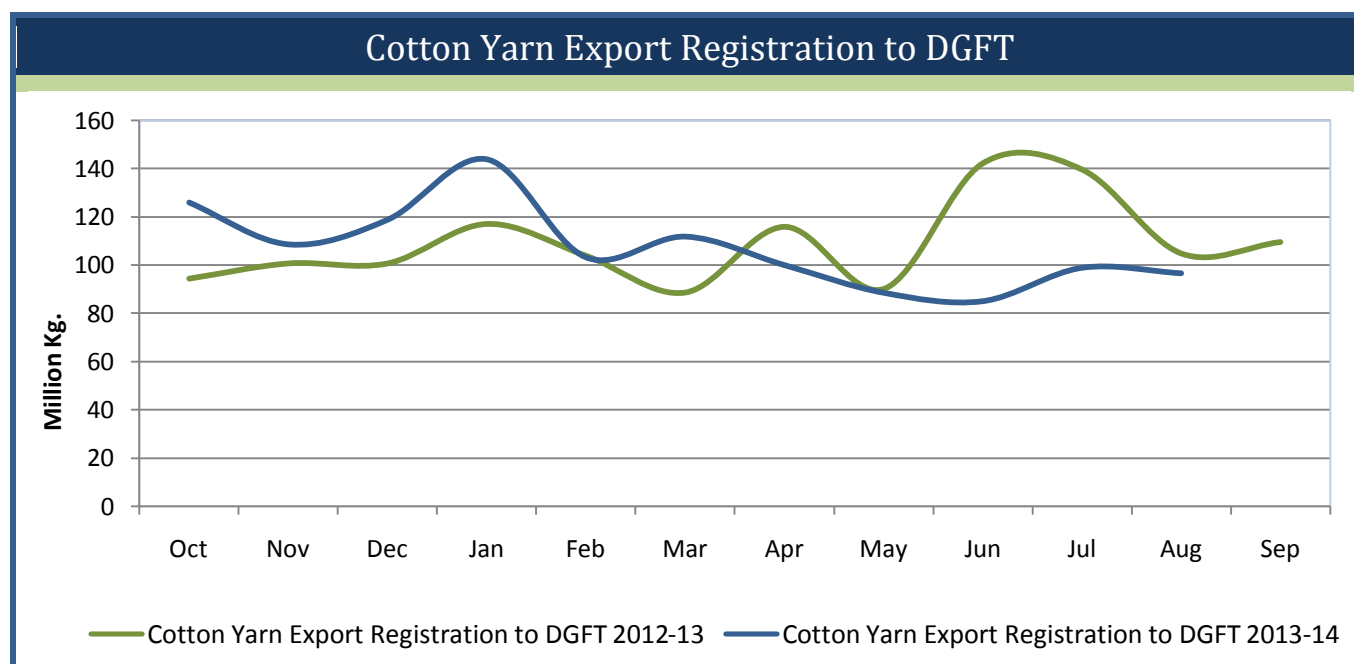


### Cotton Yarn Export Registration:

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 2012-13	Cotton Yarn Export Registration to DGFT 2013-14
Oct	328.79	323.3	94.46	125.88
Nov	312.13	330.2	100.77	108.52
Dec	341.67		100.77	118.736
Jan	340.38		117.14	143.813
Feb	321.31		103.95	103.124
Mar	340.2		88.68	111.738
Apr	328.68		115.96	99.926
May	332.92		90.15	88.442
Jun	330.69		142.297	84.949
Jul	338.9		139.745	98.808
Aug	337.51		104.913	96.535
Sep	332.78		109.64	

*Figures in Million Kg.*



## Technical Analysis of Cotton Future

<b>Commodity</b>	Kapas
<b>Exchange</b>	NCDEX
<b>Contract Month</b>	April'15



### Monthly Technical Outlook:

- Candlesticks denote downtrend in the market.
- RSI is moving high in neutral region supporting recovery in near term.
- MACD is expecting bullish cross over in near term.
- 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	725-780

### Expected Support and Resistance:

Support 1	Support 2	Resistance 1	Resistance 2
710	685	820	845

## International Market Scenario

**Current Market Scenario:** International market noticed correction in the prices during February. Cotlook A Index remained in the range of 67.05-71.75 cents during the month. As monthly average, it stood 69.84 cents 3.79% higher when compared to previous month but around 25.74% lower when compared to previous year during the corresponding month.

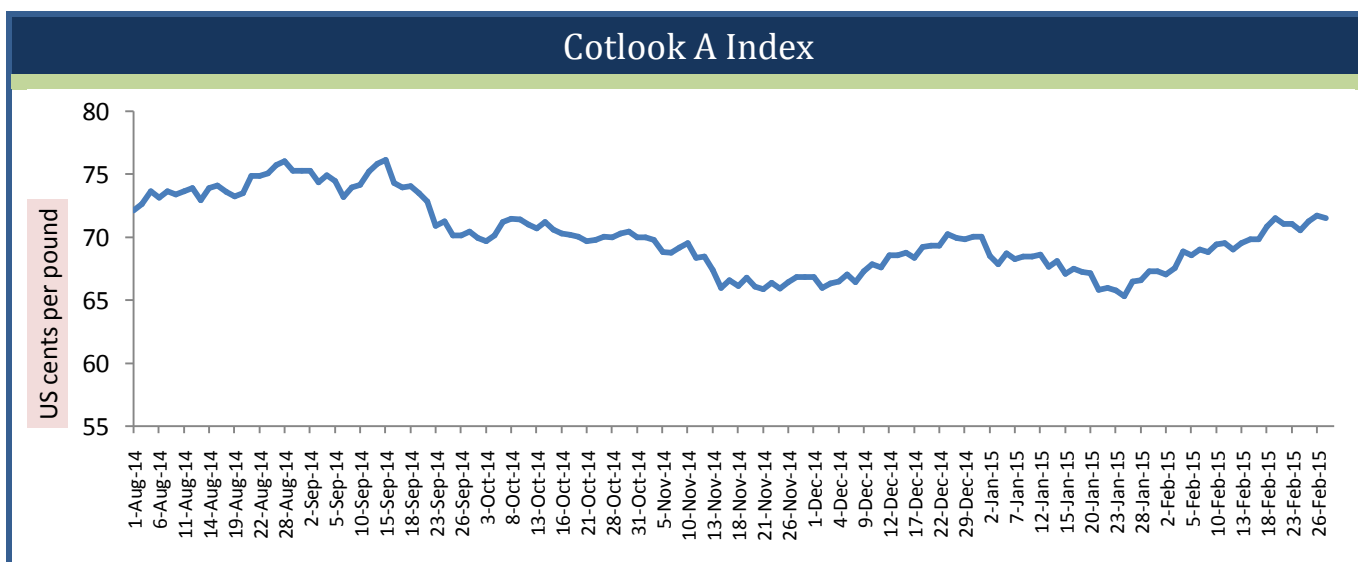
**World cotton production is expected to be around 24.56 million tons in 2015-16** around 6.5 percent lower when compared to the production of current season which is likely to stand around 26.28 million tons, said International Cotton Advisory Committee (ICAC).

**Following the lower production and higher consumption, ending stocks of cotton on the global front** is likely to decline for the first time in the last five year. According to ICAC, Ending stocks is expected to fall to 21.39 million tons in 2015-16, around 0.56% lower when compared to the expected inventory of 21.51 million tons by the end of current season.

**Besides the huge stockpile of cotton, what making cotton price to fall worldwide is the high internal price of fiber in China**, which is forcing mills in the country to opt polyester instead of cotton, which is further creating the demand gap for the cotton in China and worldwide and hence leading to price crash, said the economist of National Cotton Council (NCC).

**World cotton production is estimated slightly higher this month by USDA at 25.99 million tonnes** compared to the estimates of previous month which was 25.94 million tonnes, although it is marginally lower than the output of previous season which was 26.22 million tonnes. The upward changes in the estimates is primarily due to the higher production prospects in Pakistan at 2.264 million tonnes projected this month which was earlier estimated 2.221 million tonnes a month ago.

**Cotton growers in USA intend to devote 9.4 million acres of land for cotton this spring**, 14.6 percent lower when compared to previous year, according to 32nd Annual Early Season Planting Intentions Survey by National Cotton Council. Share of upland cotton in the acreage would be around 9.2 million acre, around 15.2% lower when compared to the previous year and 236000 acres would be dedicated for extra long staple (ELS) which is 22.8 percent higher compared to the year 2014.



### World Cotton Scenario:

World cotton output is estimated to be around 25.99 million tonnes by USDA for the season 2014-15, slightly higher than the projections of previous month which was 25.946 million tonnes and marginally lower than the production of previous year which was 26.223 million tonnes.

### World Cotton Balance Sheet (2014-15):

Particulars	2013-14	2014-15*	% Change
<b>SUPPLY</b>			
Opening stock	19.59	22.135	12.99
Production	26.22	25.99	-0.88
Imports	8.84	7.44	-15.80
Availability	<b>54.646</b>	<b>55.565</b>	1.68
<b>DEMAND</b>			
Consumption	23.754	24.223	1.97
Exports	8.868	7.455	-15.93
Total Disappearance	32.622	31.678	-2.89
Ending Stock	<b>22.135</b>	<b>23.914</b>	8.04
Source: USDA (*February Advance Estimates by USDA), Figures in Million Metric Tonnes			

### World Cotton Prospects for Season 2015-16:

**Ending Stocks to Fall First Time In Five Years:** World Ending stocks is expected to fall for the first time in 2015-16 to 21.39 million tons, around 0.56% lower when compared to the expected inventory of 21.51 million tons by the end of current season, said International cotton advisory committee (ICAC).

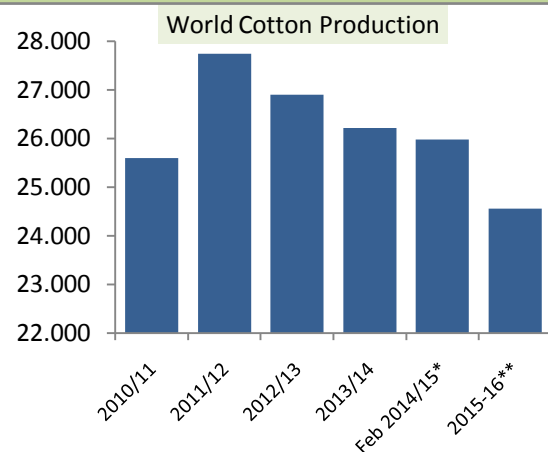
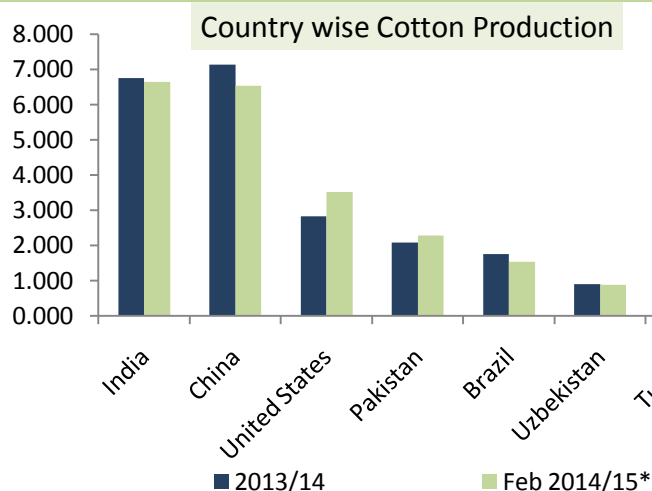
**Consumption Could Overtake Production:** According to International cotton advisory committee (ICAC) cotton production would be around 24.56 million tones in 2015-16, whereas consumption would stand around 24.69 million tons, surpassing the production.

The same situation would not lead to supply deficit as the total supply i.e. production and opening stocks would be around 46.07 million tones in 2015-16 which is likely to be around 45.79 million tones in the current season.

**World Cotton Export Expected to Rise:** Cotton export during season 2015-16 would be around 7.84 million tones approximately 4.21% higher when compared to 7.523 million tones in current season.



### Country wise and Global Cotton Production (In Million Tonnes)



### Global Export and Import Scenario:

#### World Exports:

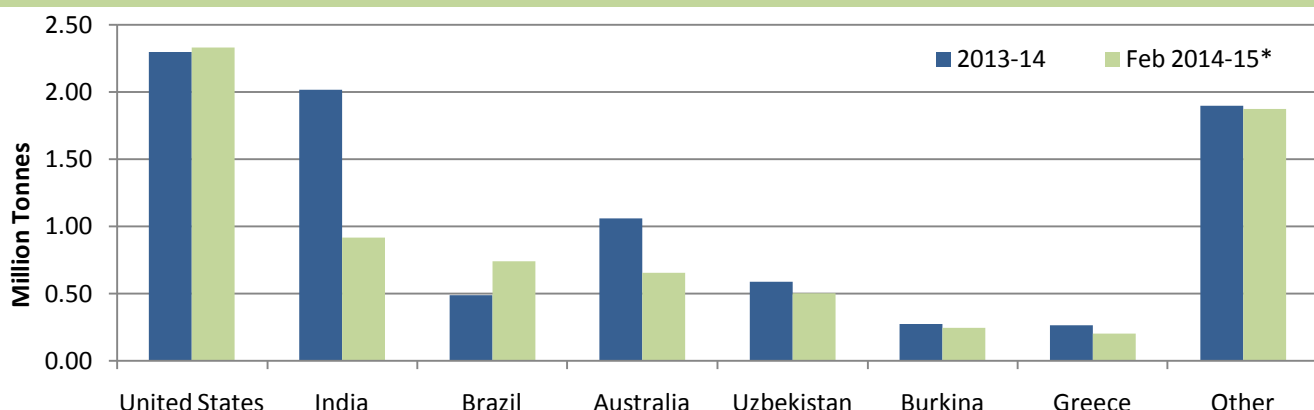
On the weaker demand from China, world cotton import would be on the lower side this season. Season 2014-15 is likely to face a fall of 15.93% in the cotton export on the global front, said USDA. As per the latest estimates of USDA, cotton export the global front would stand around 7.455 million tonnes this season slightly higher of 7.401 million tonnes what was estimated previous month.

Although cotton exports estimates are a little higher this month, the same is still lower the actual export of cotton in previous season which was around 8.868 million tonnes. The cause of the upward changes in the monthly estimates is higher export expected from USA.

Cotton exports from India could be lower than the levels expected at the commencement of the season. USDA estimates cotton export during the season 2014-15 to be around 0.914 (53.7 lakh bales of 170 kg each) million tonnes which was estimated 1.023 mt in January this year. Cotton export is apparent to see fall of 54.5% considering the export of previous season which was 2.015 (118 lakh bales of 170 kg each) million tonnes.

Export	2013-14	2014-15*
United States	2.29	2.33
India	2.02	0.91
Brazil	0.49	0.74
Australia	1.06	0.65
Uzbekistan	0.59	0.50
Burkina	0.27	0.25
Greece	0.26	0.20
Other	1.90	1.87
<b>Total</b>	<b>8.87</b>	<b>7.46</b>
*USDA Feb advance estimate, All figures in Million Metric Tonnes		

### Country wise World Export



### World Imports:

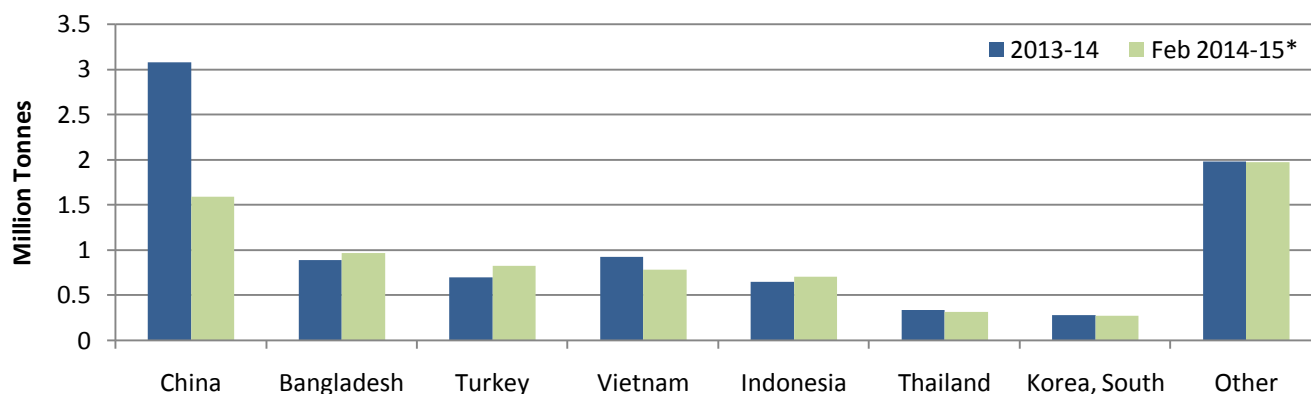
According to USDA, cotton import on the global front would stand around 7.446 million tonnes this season slightly higher of 7.401 million tonnes what was estimated previous month. Although cotton exports estimates are a little higher this month; the same is still lower the actual export of cotton in previous season which was around 8.836 million tonnes. The expectation of higher import of cotton from china has lifted the projections this month.

China cotton imports projection has been rose up slightly this month by USDA what was estimated previous month. According to USDA, China is likely to import 1.589 million tonnes of cotton this season around 4.27 percent higher which was projected to be around 1.524 million tonnes previous month. This season China is about to cut cotton imports by around 48.3% compared to the imports of previous season when the same was 3.075 million tonnes.

Import	2013-14	2014-15*
China	3.075	1.589
Bangladesh	0.893	0.969
Turkey	0.697	0.827
Vietnam	0.924	0.784
Indonesia	0.651	0.708
Thailand	0.337	0.321
Korea, South	0.28	0.278
Other	1.98	1.97
<b>Total</b>	<b>8.836</b>	<b>7.446</b>

\*USDA Feb advance estimate, All figures in Million Metric Tonnes

### Country wise World Import

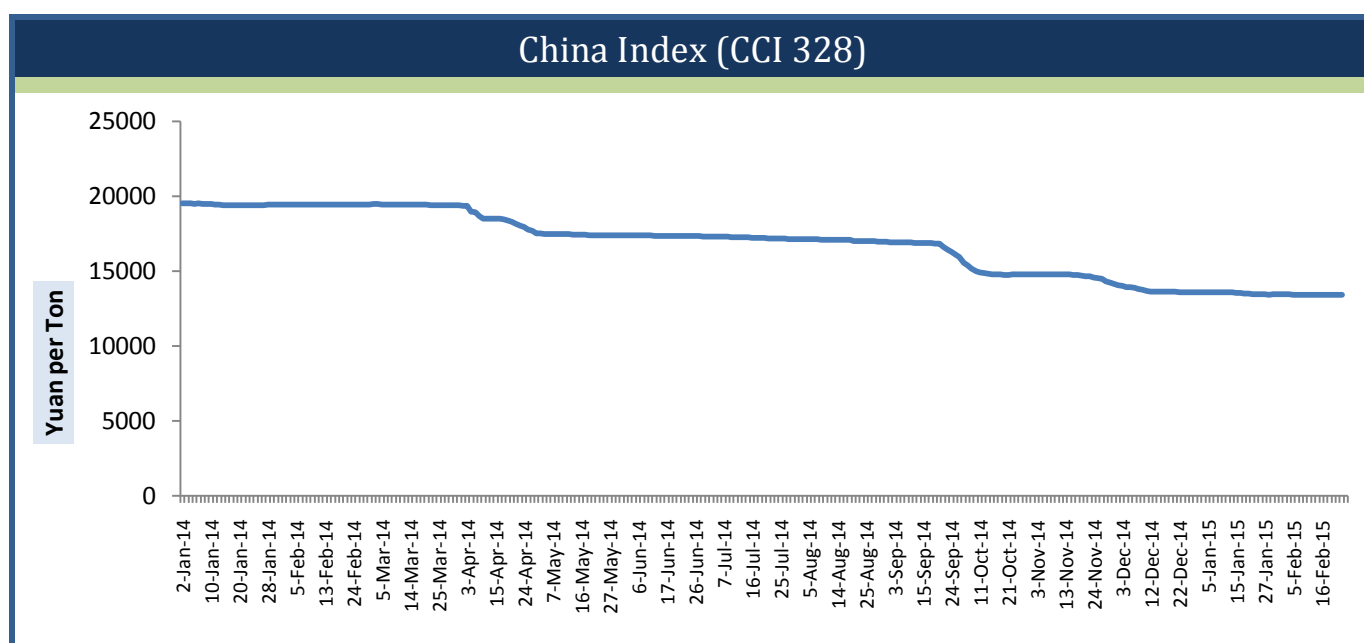


### International Prices and Indices

#### China Cotton Index

CC Indices	Prices as on		% Change
	February'15	January'15	
CC Index(229)	14170	14250	-0.56
CC Index(328)	13445	13535	-0.66
CC Index(527)	12435	12575	-1.11

Figures in Yuan per Ton



#### Cotlook A Index

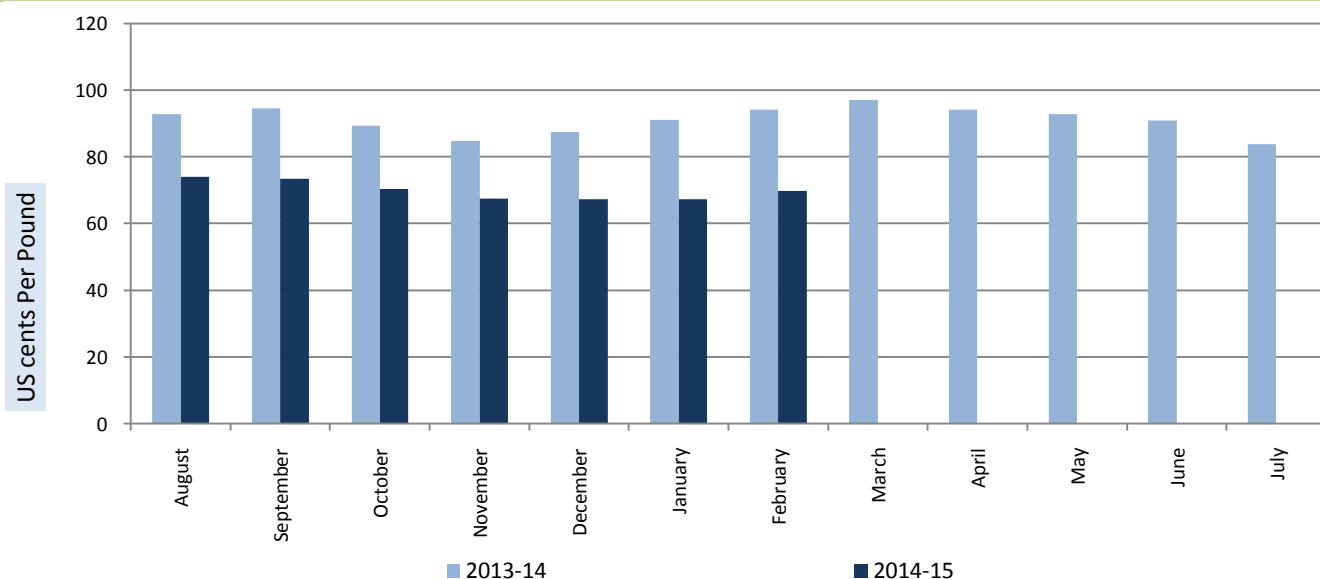
Cotlook A Index	Monthly Average Price		% Change
	February'15	January'15	
Price	69.84	67.29	3.79

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	67.29	-26.02
February	94.05	69.84	-25.74
March	96.94		
April	94.2		
May	92.7		
June	90.89		
July	83.83		

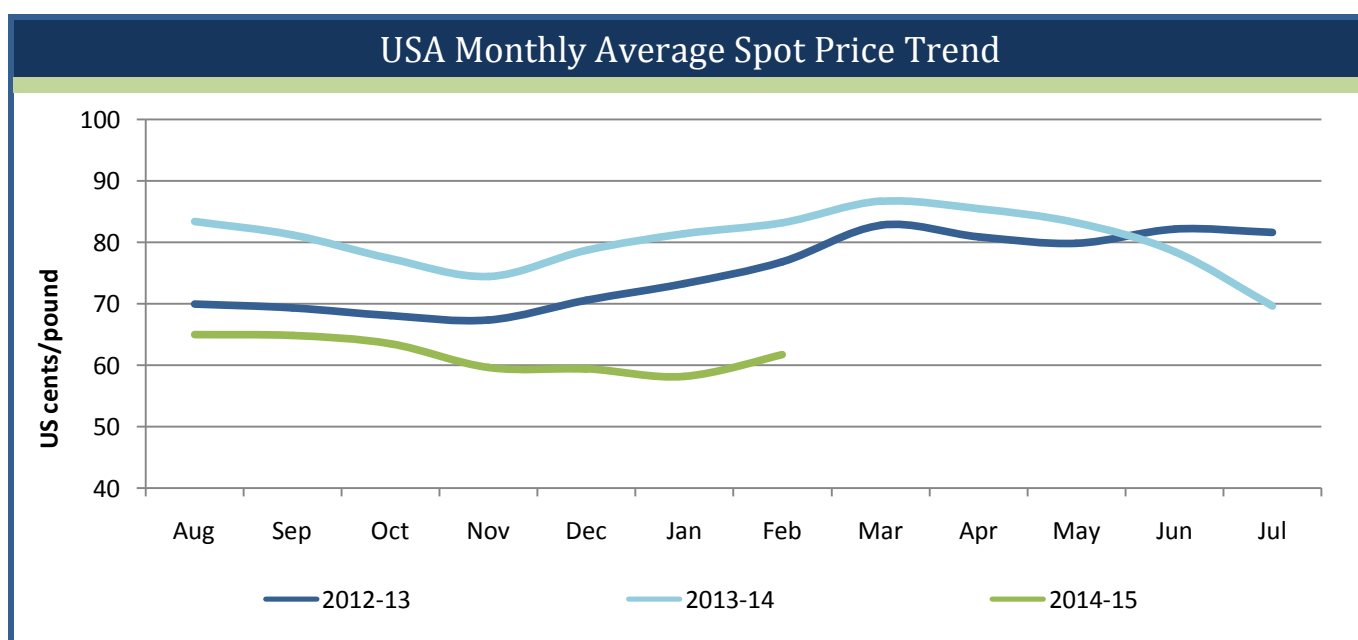
Figures in US cents per pound

**Month wise Cotlook A Index**


### USA Spot Prices

Spot prices in USA have improved significantly on the improvement in the export demand. United States cotton export is likely to be marginally higher this season compared to the previous season, said USDA. USA is expected to export 2.33 million tonnes of cotton this year compared to the 2.29 million tonnes previous year. Although in previous month estimates the country was expected to export 2.177 million tonnes during season 2014-15, but the expectation of slight increase in the china cotton import has lifted the USA export projections simultaneously.

Monthly Average USA Spot Prices			
Date	February'15	January'15	% Change
Prices	61.74	58.19	6.10
Figures in US Cents per Pound			



### ICE Cotton Future:

Contracts	27-Feb-15	Month Ago	Year Ago	% Month Change	% Y-o-Y Change
<b>Oct-14</b>	64.73	58.78	78.18	10.12	-17.20
<b>Dec-14</b>	64.93	59.54	--	9.05	--
<b>Mar-14</b>	65.22	60.40	--	7.98	--
<b>May-14</b>	65.85	61.44	--	7.18	--
<b>Jul-14</b>	65.85	62.47	--	5.41	--
<b>Oct-14</b>	65.84	63.22	--	4.14	--

Source: MRCI, Figures in US Cents Per Pound

## Technical Analysis of Cotton Future

<b>Commodity</b>	<b>Cotton</b>
<b>Exchange</b>	<b>ICE</b>
<b>Contract Month</b>	<b>May'15</b>



### Monthly Technical Outlook:

- Candlesticks are showing uptrend in the prices in February 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 with Firm Biasness	62.60-68.60

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.00	58.80	69.00	70.40

Source : MRCI

All figures in US cents per pound

## Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2014 Indian Agribusiness Systems Pvt Ltd.