

Domestic Market Outlook

Cotton exports from India have increased by 5 percent on Y-o-Y basis in February to 7.8 million bales on higher international demand. However in coming month, it is likely to decline. As per the estimates of USDA, total cotton export from India this year would be around 10.2 million bales.

Arrival of cotton in India has been increased by 12.87% on Y-o-Y basis to 24.55 million bales of 170 kgs each till 28 February 2014. During the corresponding period last year the same stood 21.75 million bales. Despite the lower acreage this year, production would be around 37.5 million bales compared to 34.5 million bales last year. Reason for the same is the cultivation of BT cotton majorly. Acreage of cotton is likely to increase by around 7-8% next year as farmers are getting good value of their produce this year compared to the previous.

Export subsidies for textile sector are about to vanish as Indian textile sector has become globally competitive. As per the WTO law, a product is called competitive if it acquires 3.25% share in world market for two consecutive years and a competitive product is not eligible to get export subsidy. Currently India posse 3.5% shares in global market and hence it should not be given any export incentives

Department of Agriculture and Co-operation (DAC) has estimated the production of cotton for the season 2013-14 at 356 lakh bales in their report of second advance estimates, whereas as per the first advance estimates, cotton production was projected to be around 353 lakh bales.

International Market Outlook

Pakistan cotton ginner and growers have urged government to ban the import of cotton yarn from India, as it is hurting the domestic textile market and cotton stakeholders, being price competitive.

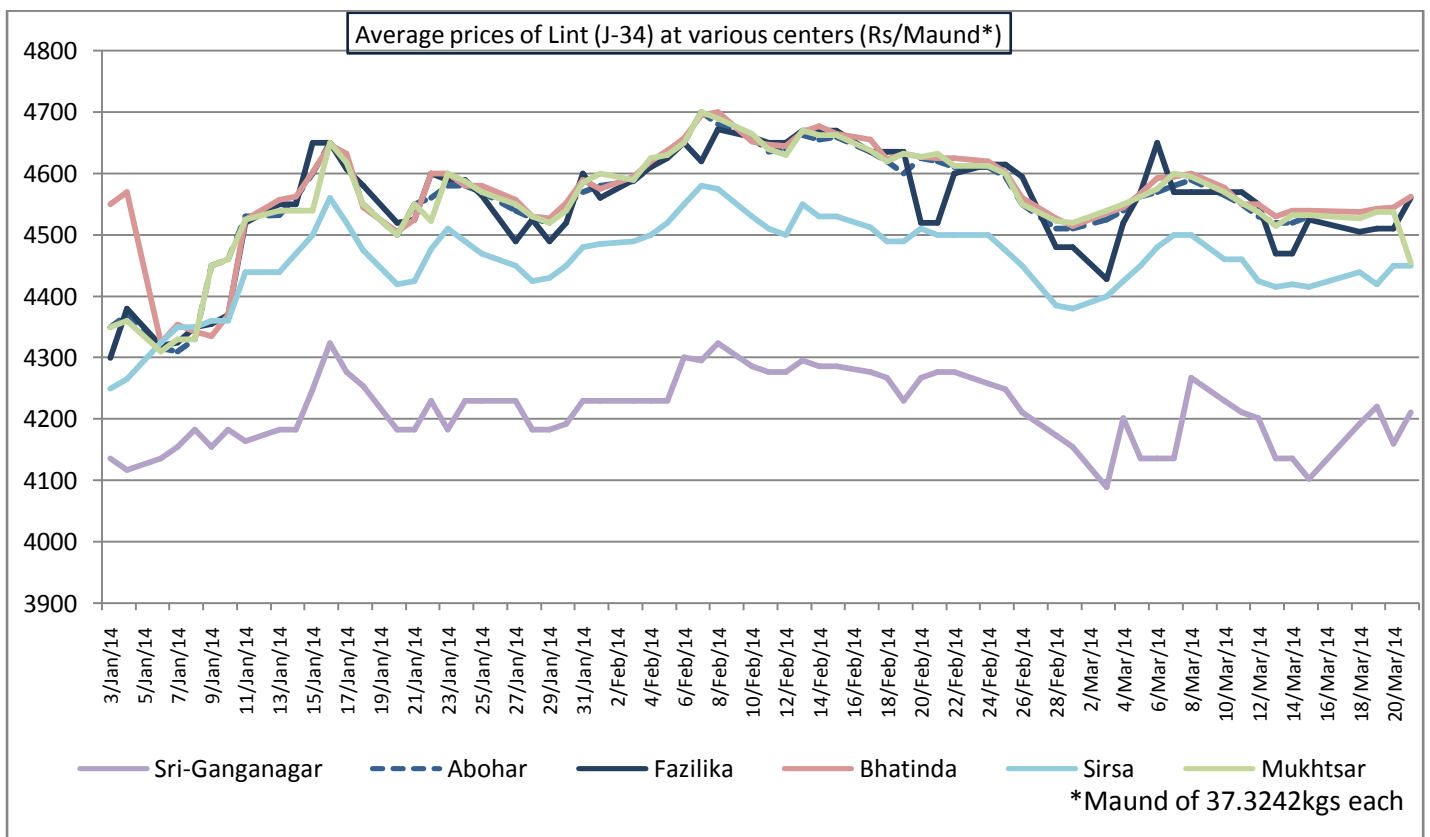
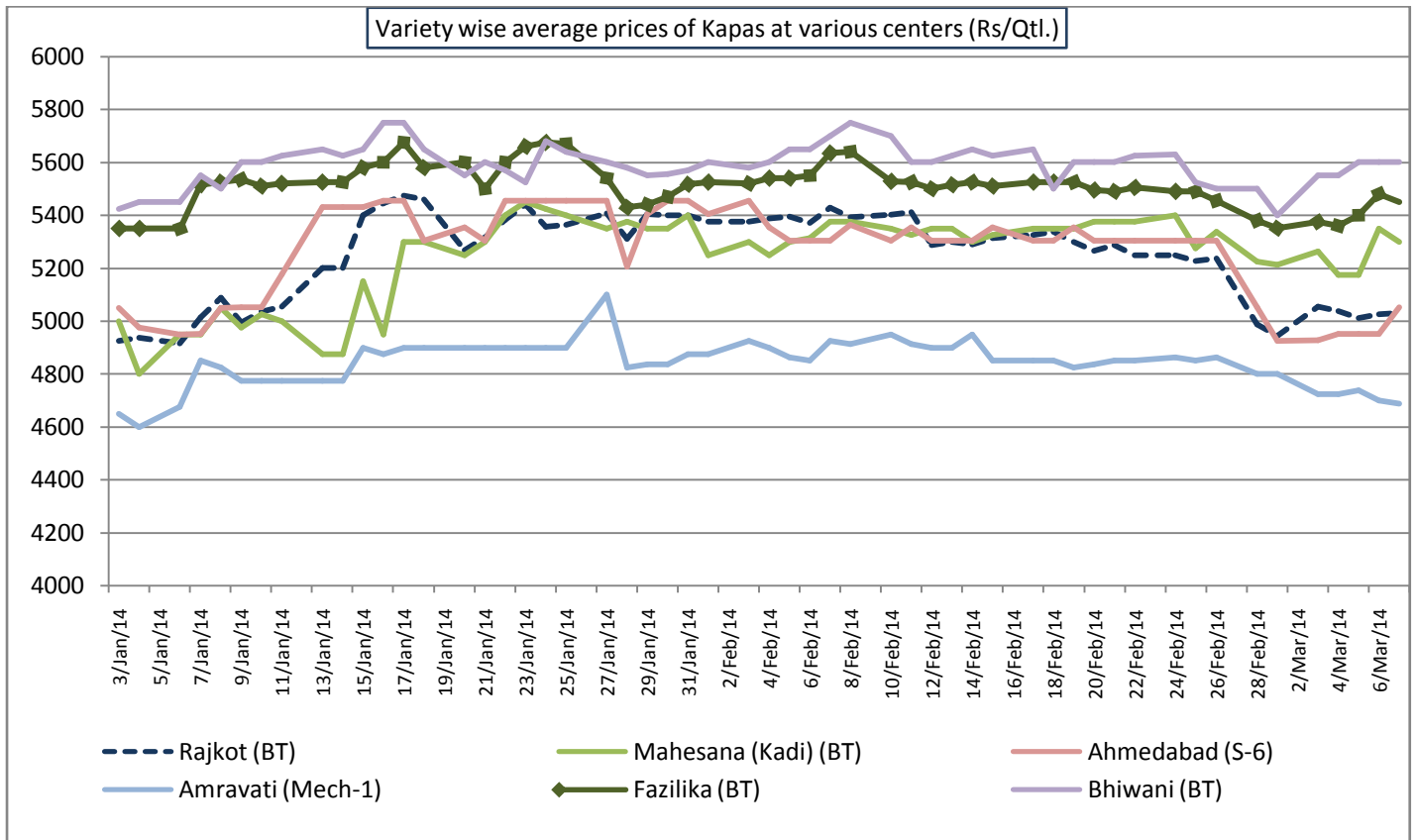
Africa is finding scope to sell their cotton in India. A delegation of 18 members from Africa is visiting Coimbatore and other cotton hubs in India. International Cotton Trade, an alliance of World Trade Organization (WTO) and United Nations (UN), is initiating a mission to make access for African cotton in Indian market. It is being reported that its is fourth visit of the team in three months.

Textile mills owners in Pakistan are opposing the decision of All Pakistan Textile Mills Association (APTMA), which has recommended textile ministry to impose duty on imports of cotton yarn.

USDA projects cotton prices to decline by 10.5% decline in average prices to 68 cents per pound during the current marketing year. The projected price is level to five year low, and is below the average cost of production, 70 cents per pound.

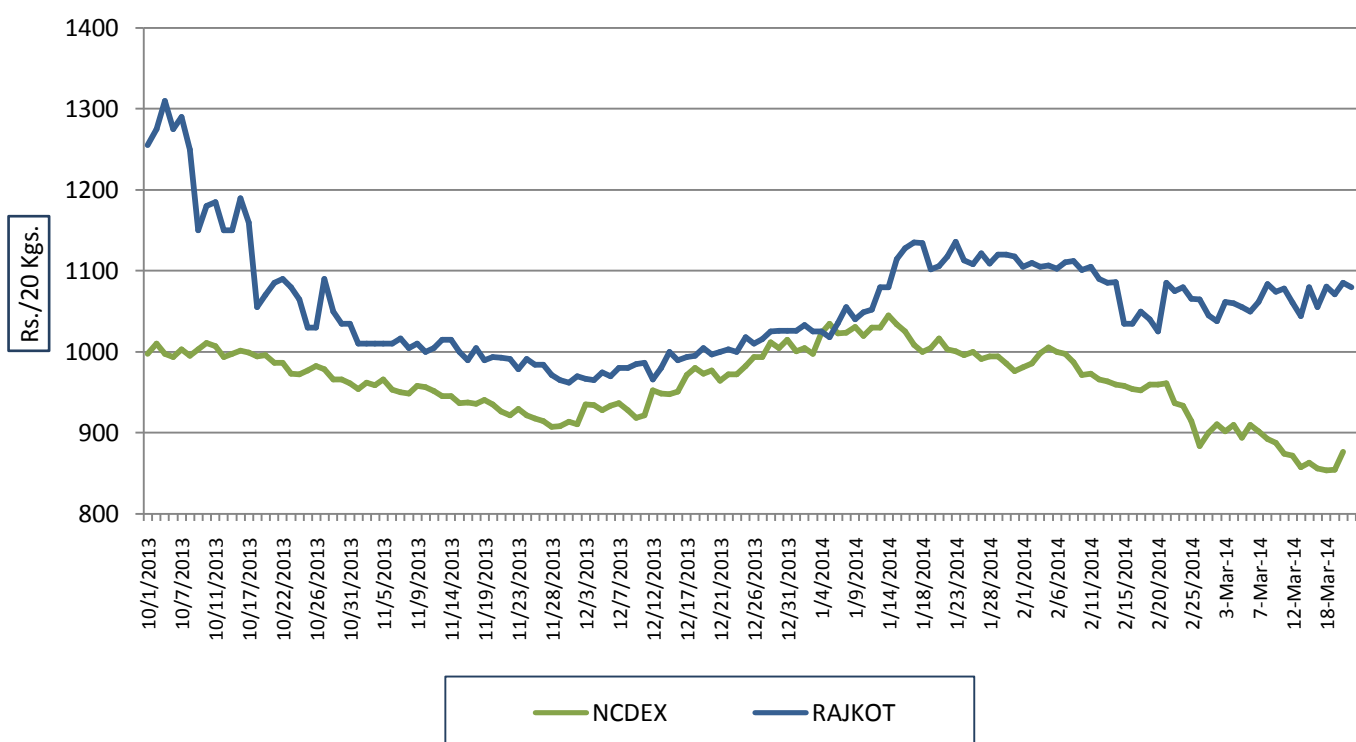
COTTON PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change %
		21-Mar-14	14-Mar-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4850	4900	-1.02
Khandwa	Mech-1	Closed	5200	--
Khargaon	Mech-1	Closed	5200	--
	Kapas	(Rs./Qtl.)		
Mahesana(Kadi)	B.T. Cotton	5400	5375	0.47
Rajkot	B.T. Cotton	5400	5400	0.00
Patan	B.T. Cotton	5455	5340	2.15
Deesa	B.T. Cotton	Closed	4850	--
Muktsar	B.T. Cotton	5400	4520	19.47
Fazilika	B.T. Cotton	5360	5350	0.19
Bhiwani	B.T. Cotton	5500	5520	-0.36
Adampur	B.T. Cotton	5380	5350	0.56
Fatehabad	B.T. Cotton	5380	5400	-0.37
Dabwali	B.T. Cotton	5300		
Jind	B.T. Cotton	5420	5410	0.18
Rawatsar (Hanumangarh)	B.T. Cotton	5320	5400	-1.48
Hubli	B.T. Cotton	5020	4989	0.62
	Kapas	(Rs./Qtl.)		
Ahmedabad	Shankar-6	5250	5250	0.00
Gondal	Shankar-6	5285	5280	0.09
	Kapas	(Rs/Qtl)		
Bijapur	Bunny	5188	5239	-0.97
Hubli	D.C.H.	5609	6109	-8.18
Raichur	H-44 Cotton	5011	5070	-1.16
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	4555	4520	0.77
Muktsar	J-34	4560	4535	0.55
Fazilika	J-34	4560	4470	2.01
Bhatinda	J-34	4570	4550	0.44
Mansa	J-34	4530	4540	-0.22
Sirsa	J-34	4450	4420	0.68
Sri-Ganganagar	J-34	4211	4136	1.81
Hanumangarh	B.T. Cotton	4460	4480	-0.45
Adilabad	>30mm	4361	4388	-0.62
Warangal	>30mm	4325	4393	-1.55
Guntur	>30mm	4377	4377	0.00
Bhainsa	>30mm	4393	4393	0.00



Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change %
				20-Mar-14	12-Mar-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38500	38500	0.00
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39000	39000	0.00
J-34(202)	26mm	3.5 - 4.9	23	42200	41800	0.96
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40900	40700	0.49
Shankar-6(105)	29mm	3.5 - 4.9	28	42200	41900	0.72
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42200	42100	0.24
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43100	42900	0.47
DCH-32(107)	34mm	3.0 - 3.8	33	62000	62000	0.00

Comparison of Spot (Rajkot) and Future (NCDEX) Prices

Cotton Prices: Weekly Outlook

Prices of cotton this week remained weak amid lackluster demand. Ample supply of cotton has made total availability higher. Despite higher availability, exports would be on weaker side amid diminished demand from overseas, which will make prices to move downwards.

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change %
		21-Mar-14	14-Mar-14	
Amravati	Mech-1	174000	206000	-15.53
Khandwa	Mech-1	Closed	9700	--
Khargaon	Mech-1	Closed	30000	--
Mahesana(Kadi)	B.T. Cotton	145000	220000	-34.09
Rajkot	B.T. Cotton	15600	20850	-25.18
Patan	B.T. Cotton	33438	54297	-38.42
Deesa	B.T. Cotton	2500	7650	-67.32
Fazilika	B.T. Cotton	4200	3600	16.67
Bhiwani	B.T. Cotton	1700	3500	-51.43
Adampur	B.T. Cotton	3910	4420	-11.54
Fatehabad	B.T. Cotton	3100	3065	1.14
Dabwali	B.T. Cotton	650	-	--
Jind	B.T. Cotton	3325	3448	-3.57
Rawatsar (Hanumangarh)	B.T. Cotton	760	1200	-36.67
Hubli	B.T. Cotton	5174	5203	-0.56
Ahmedabad	Shankar-6	333200	448800	-25.76
Gondal	Shankar-6	6167	6963	-11.43
Bijapur	Bunny	4677	5601	-16.50
Hubli	D.C.H.	168	148	13.51
Raichur	H-44 Cotton	14487	16316	-11.21
Abohar	J-34	4250	4165	2.04
Muktsar	J-34	2040	2125	-4.00
Bhatinda	J-34	123250	158100	-22.04
Mansa	J-34	3910	4930	-20.69
Sirsa	J-34	9520	8330	14.29
Sri-Ganganagar	J-34	6290	11900	-47.14
Hanumangarh	B.T. Cotton	3950	6000	-34.17

Cotton Arrival: Weekly Outlook

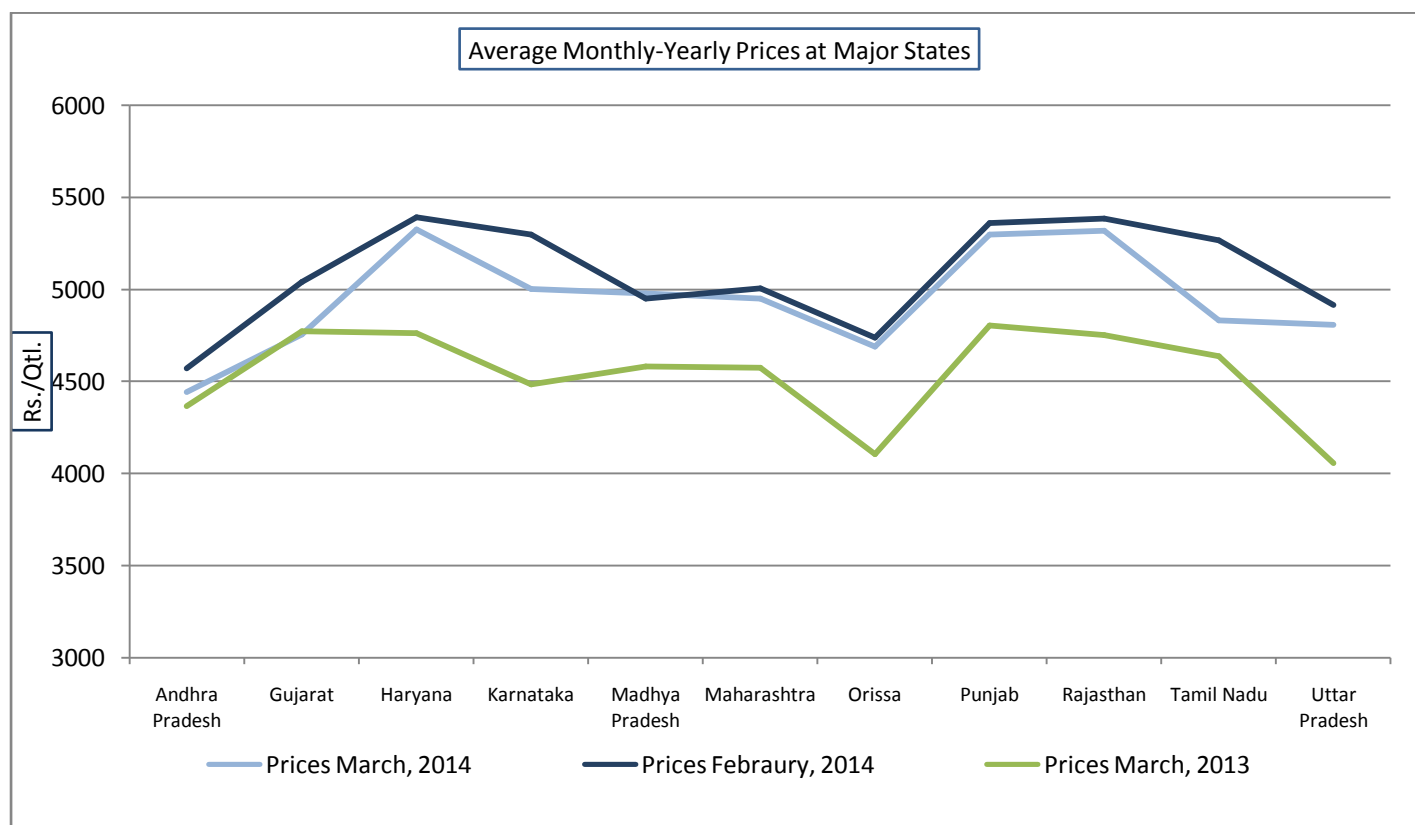
Arrivals are showing sluggish pattern during the week. Few of the regions have been reported with rise in arrivals as farmers had released their final stocks, on which they were speculating hike in prices in future.

STATE WISE PRICES AND ARRIVALS

State wise Prices (Rs./Qtl.)

State	Prices March, 2014	Prices February, 2014	Prices March, 2013	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4442.72	4571.54	4367.01	-2.82	1.73
Gujarat	4755.11	5039.08	4774.4	-5.64	-0.4
Haryana	5325.4	5393.58	4761.94	-1.26	11.83
Karnataka	5001.38	5298.17	4485.53	-5.6	11.5
Madhya Pradesh	4977.12	4950.15	4579.79	0.54	8.68
Maharashtra	4950	5006.12	4573.28	-1.12	8.24
Orissa	4688.16	4736.52	4104	-1.02	14.23
Punjab	5298.75	5360.84	4805.05	-1.16	10.27
Rajasthan	5318.89	5384.71	4752.27	-1.22	11.92
Tamil Nadu	4833.11	5267.86	4638.4	-8.25	4.2
Uttar Pradesh	4807.96	4916.99	4055.47	-2.22	18.55
Average	5392.49	5358.87	4536.1		

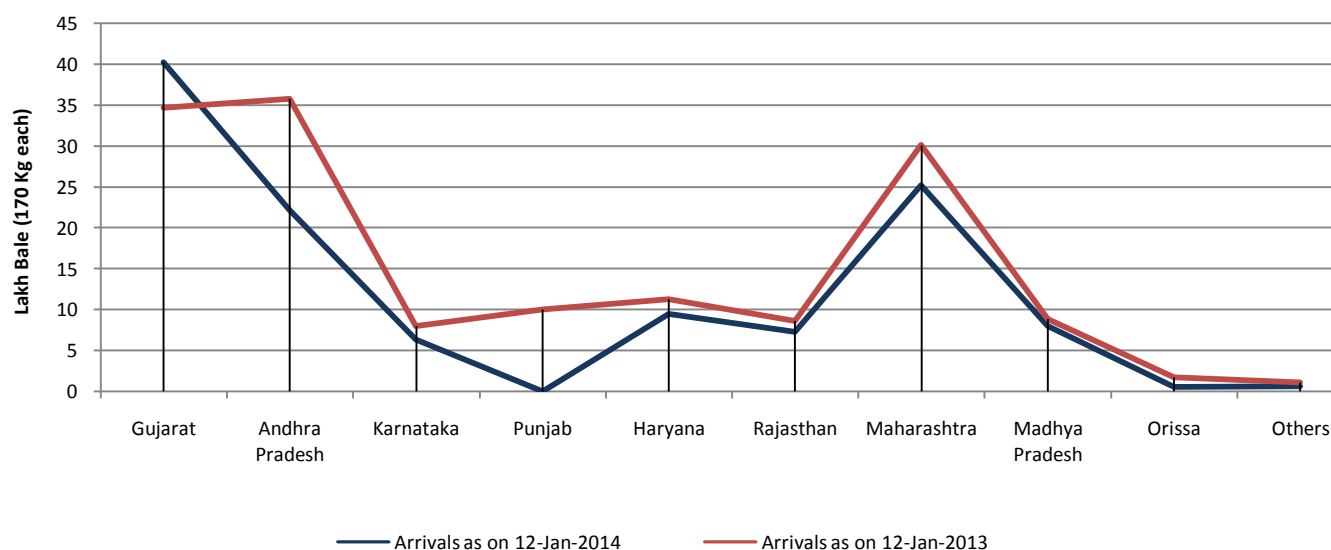
*Source: APMC



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
	1/11/2013	26-1-2014	1/11/2012	26-1-2013
1. Punjab	21	6.62	21	12
2. Haryana	23	10.64	25	13.41
3. Rajasthan	14	7.78	17	11.19
A. North Total (1+2+3)	58	25.04	63	36.6
4. Gujarat	116	46.19	93	42.92
5. Maharashtra	81	30.67	79	35.67
6. Madhya Pradesh	19	10.93	19	10.46
B. Central Total (4+5+6)	216	87.79	191	89.05
7. Andhra Pradesh	72	28.57	84	43.67
8. Karnataka	18	7.46	15	9.2
9. Tamil Nadu	5	0.93	6	0.41
C. South Total (7+8+9)	95	36.96	105	53.28
10. Orissa	4	0.86	4	2.15
11. Others	2	0.76	2	1.15
D. Total (10+11)	6	1.62	6	3.3
Grand Total (A+B+C+D)	375	151.41	365	182.23

State wise Arrival Progress

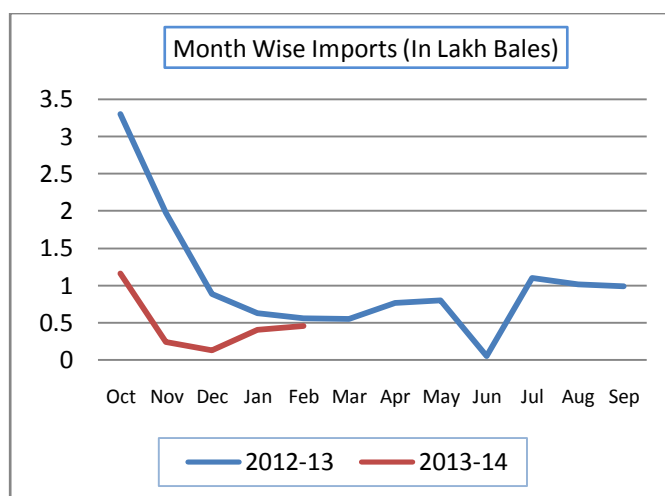
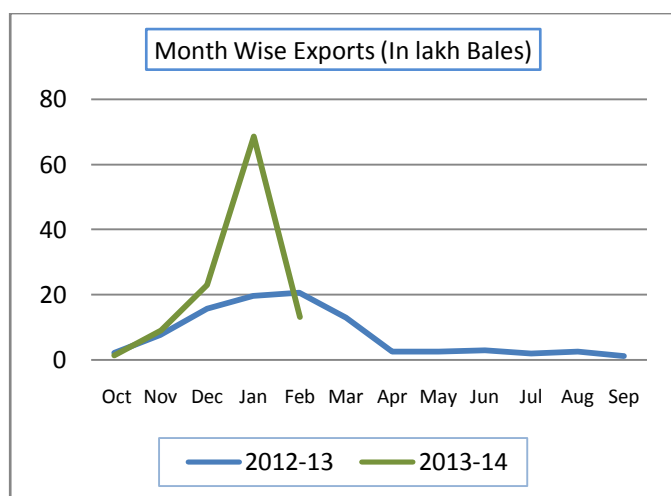


Source: Cotton Corporation of India

COTTON EXPORT AND IMPORT

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	68.6
Feb	20.67	13.15
Mar	13.07	
Apr	2.5	
May	2.58	
Jun	3.01	
Jul	2.06	
Aug	2.5	
Sep	1.22	
Total	93.12	115.36

Cotton Exports(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	
Apr	0.76	
May	0.8	
Jun	0.05	
Jul	1.1	
Aug	1.01	
Sep	0.99	
Total	12.61	2.403

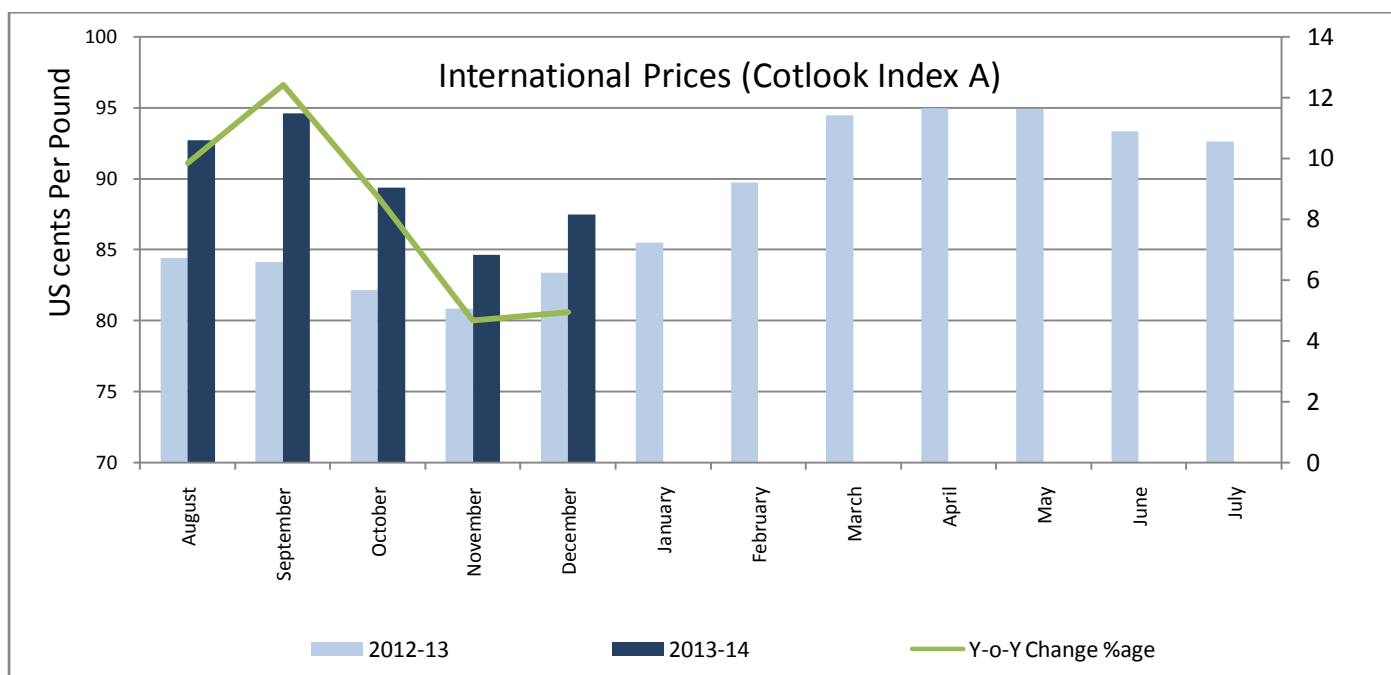


Export Break Up by Major Countries During February'14	
Country	Quantity (In Lakh Bales)
China	5.43
Bangladesh	2.65
Pakistan	1.04
Vietnam	0.97
Turkey	0.57

Import Break Up by Major Countries During February'14	
Country	Quantity (In Lakh Bales)
USA	0.23
Pakistan	0.08
Sudan	0.05
Egypt	0.03
Israel	0.02

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

Month	2012-13	2013-14	Y-o-Y Change %age
August	84.4	92.71	9.84
September	84.15	94.6	12.41
October	82.17	89.35	8.73
November	80.87	84.65	4.67
December	83.37	87.49	4.94
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)

Contracts	14/03/2014	14/02/2014	14/03/2013	% Month Change	% Y-o-Y Change
Mar-14	-	87.09	87.27	-	-
May-14	93.31	88.35	86.89	5.61	7.39
Jul-14	92.70	88.23	-	5.07	-
Oct-14	82.40	80.68	-	2.13	-
Dec-14	80.25	78.14	-	2.70	-
Mar-15	79.96	78.59	-	1.74	-
May-15	79.73		-		-

Technical Analysis of Cotton Future (April'14 Contract) at NCDEX



Weekly Technical Outlook

- Prices of cotton ruled weak with a sharp breakout at the end of the week
- Candlesticks denote mixed sentiments.
- RSI is fluctuating in neutral region supporting sluggish movement.
- For the coming week, we expect range-bound movement.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Sideways	840-885

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
820	800	895	900

*values in Rs./20 kgs

Technical Analysis of Cotton Future (March'14 Contract) at ICE



Weekly Technical Outlook:

- Prices of cotton remained sideways during the week.
- Aligned movement of volume and open interest depicts strong market.
- We expect upward movement in the prices in coming week.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Bullish Trend	92-95

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
91	90	96	98

*values in Cents. /Pound

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