

### **Domestic Market Outlook**

**UAE (United Arab Emirates) became the major export destination of Indian made fabric with increase of 35%** in its export during April-January 2013-14. India has exported MMF worth of \$429 million to UAE during period mentioned, while USA stood the second largest export destination after UAE with export worth of \$352 million.

**Department of Agriculture, Karnataka has banned the sale of Bt cotton seeds produced by Maharashtra Hybrid Company (Mahyco)** on supply of substandard quality of seeds. As reported by protesting farmers, kharif crop failed in Haveri, Chitradurga, Dharwad, Belgaum and Bellary districts due to the bad quality seeds supplied by Mahyco.

**Cotton yarn prices are under pressure as China has revised the buying prices for yarn.** One of the reason for the same is the having situation of strong rupee versus dollar. Under the new policy applicable from April 1<sup>st</sup> 2014, government has lowered the bids from current floor price of 18000 Yuan per ton to 17250 per ton.

**A suggestion of moderate increase of 1-5% in MSP has been proposed by Commission of Agriculture Costs and Practices (CACP)** for the agriculture commodities of Kharif crop season 2014-15. This recommendation has been forwarded to the Ministry of Agriculture, where final decision would be made by the new cabinet after the elections.

**Export of cotton from India is picking uptrend amid exchange rate stability.** China is showing good demand for Indian cotton. Pakistan, Bangladesh, Vietnam and Indonesia have also reported higher demand.

**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.

### **International Market Outlook**

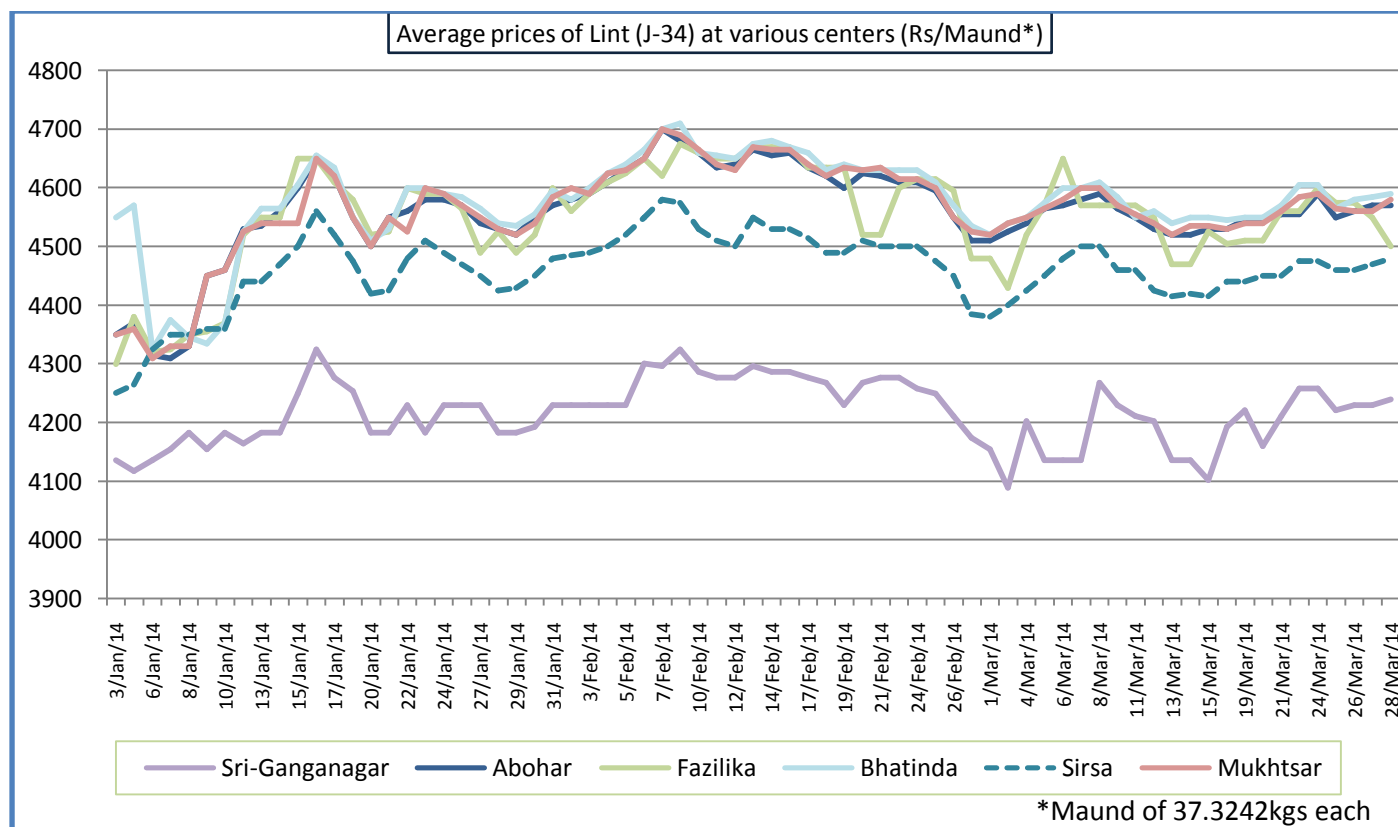
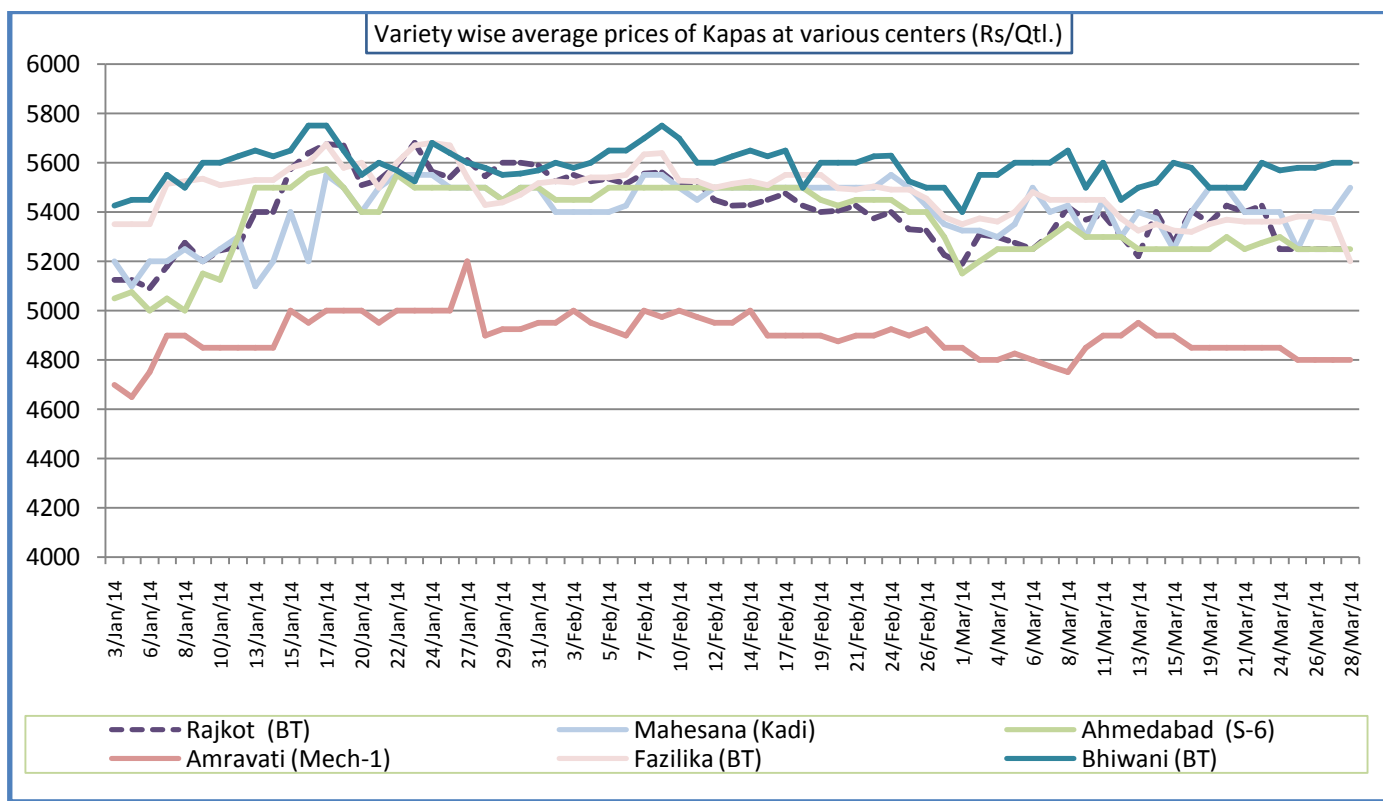
**On higher acreage, Brazil is expected to notice remarkable increase of 17% in cotton production** on Y-o-Y basis in year 2014-15, as reported by USDA. Brazil, the fifth largest producer of cotton in the world, is likely to increase cotton area by 18% to 1.3 million hectares in upcoming year, which stood 1.3 million hectares in 2013-14.

**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.

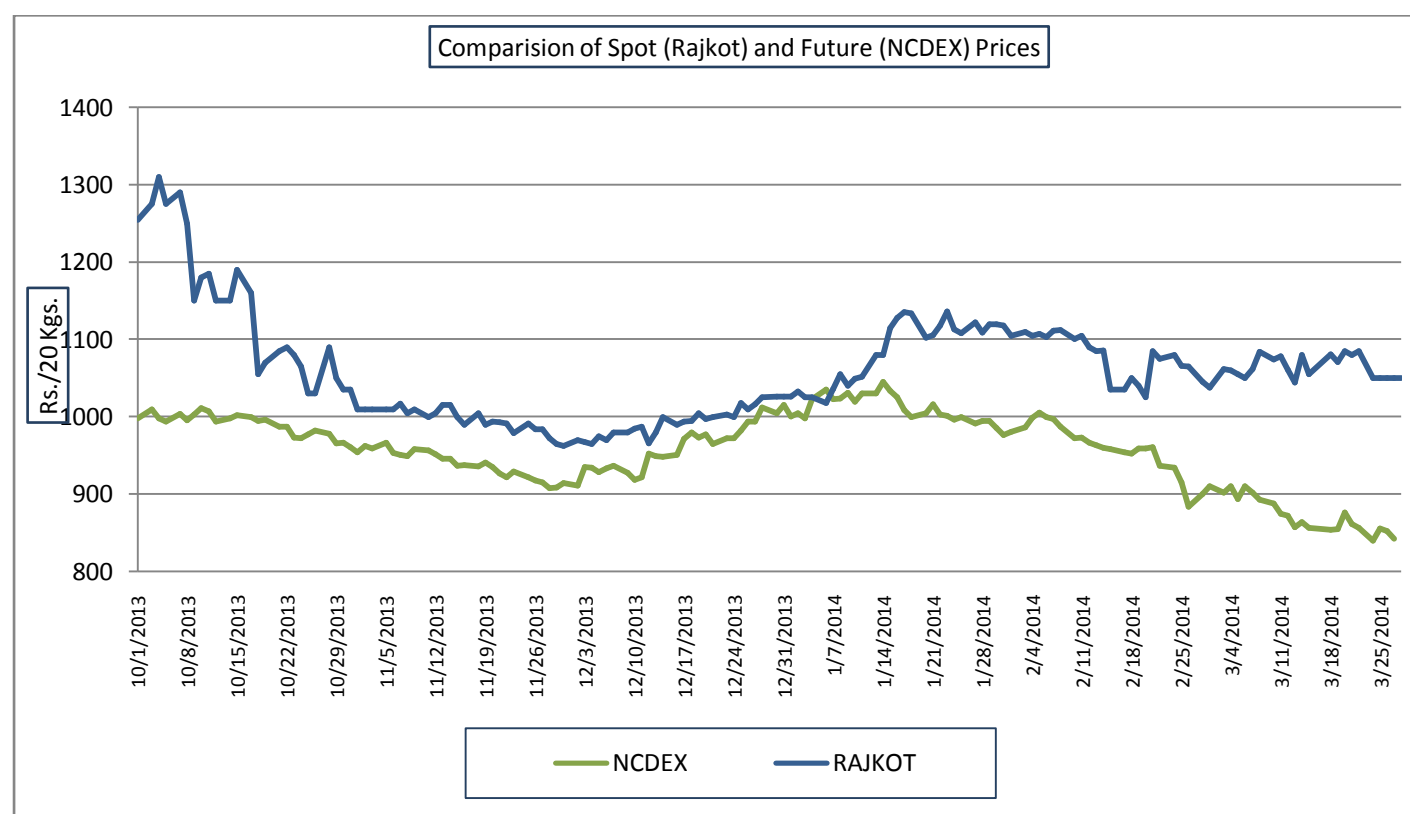
**COTTON PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Market:**

Centre	Variety	Prices		Change %
		28-Mar-14	21-Mar-14	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4800	4850	-1.0
Khandwa	Mech-1	5200	Closed	--
Khargaon	Mech-1	5200	Closed	--
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Mahesana(Kadi)	B.T. Cotton	5500	5400	1.9
Rajkot	B.T. Cotton	Closed	5400	--
Patan	B.T. Cotton	Closed	5455	--
Deesa	B.T. Cotton	Closed	Closed	--
Muktsar	B.T. Cotton	5500	5400	1.9
Fazilika	B.T. Cotton	5200	5360	-3.0
Bhiwani	B.T. Cotton	5600	5500	1.8
Adampur	B.T. Cotton	5360	5380	-0.4
Fatehabad	B.T. Cotton	5400	5380	0.4
Dabwali	B.T. Cotton	5320	5300	0.4
Jind	B.T. Cotton	5350	5420	-1.3
Rawatsar (Hanumangarh)	B.T. Cotton	5300	5320	-0.4
Hubli	B.T. Cotton	5090	5020	1.4
	<b>Kapas</b>	<b>(Rs./Qtl.)</b>		
Ahmedabad	Shankar-6	5250	5250	Unch
Gondal	Shankar-6	Closed	5285	--
	<b>Kapas</b>	<b>(Rs/Qtl)</b>		
Bijapur	Bunny	5169	5188	-0.4
Hubli	D.C.H.	4609	5609	-17.8
Raichur	H-44 Cotton	5075	5011	1.3
	<b>Lint</b>	<b>(Rs./Maunder of 37.32kg each)</b>		
Abohar	J-34	4570	4555	0.3
Muktsar	J-34	4580	4560	0.4
Fazilika	J-34	4500	4560	-1.3
Bhatinda	J-34	4590	4570	0.4
Mansa	J-34	4550	4530	0.4
Sirsa	J-34	4480	4450	0.7
Sri-Ganganagar	J-34	4240	4211	0.7
Hanumangarh	B.T. Cotton	4500	4460	0.9
Adilabad	>30mm	4314	4361	-1.1
Warangal	>30mm	4335	4325	0.2
Guntur	>30mm	4419	4377	1.0
Bhainsa	>30mm	NA	4393	--



**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change %
				27-Mar-14	20-Mar-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38000	38500	-1.3
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	38500	39000	-1.3
J-34(202)	26mm	3.5 - 4.9	23	42200	42200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40400	40900	-1.2
Shankar-6(105)	29mm	3.5 - 4.9	28	41800	42200	-0.9
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42200	42200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43200	43100	0.2
DCH-32(107)	34mm	3.0 - 3.8	33	60500	62000	-2.4

**Comparison of Spot and future price at glance**

**Cotton Prices: Weekly Outlook**

Prices of cotton this week remained range bound amid lackluster demand. Ample supply of cotton has made total availability higher. Despite higher availability, overall exports would be on weaker side amid diminished demand from overseas, which will make prices to move downwards. Though a slight recovery could be seen in coming month as demand from China and other neighboring countries is likely to improve.

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change %
		28-Mar-14	21-Mar-14	
Amravati	Mech-1	194500	174000	11.8
Khandwa	Mech-1	9700	Closed	--
Khargaon	Mech-1	29000	Closed	--
Mahesana(Kadi)	B.T. Cotton	200000	145000	37.9
Rajkot	B.T. Cotton	8000	15600	-48.7
Patan	B.T. Cotton	44100	33438	31.9
Deesa	B.T. Cotton	2750	2500	10.0
Fazilika	B.T. Cotton	2350	4200	-44.0
Bhiwani	B.T. Cotton	2800	1700	64.7
Adampur	B.T. Cotton	4250	3910	8.7
Fatehabad	B.T. Cotton	4250	3100	37.1
Dabwali	B.T. Cotton	1095	650	68.5
Jind	B.T. Cotton	1316	3325	-60.4
Rawatsar (Hanumangarh)	B.T. Cotton	1100	700	57.1
Hubli	B.T. Cotton	1075	5174	-79.2
Ahmedabad	Shankar-6	416500	333200	25.0
Gondal	Shankar-6	Closed	6167	--
Bijapur	Bunny	7255	4677	55.1
Hubli	D.C.H.	230	168	36.9
Raichur	H-44 Cotton	18524	14487	27.9
Abohar	J-34	3740	4250	-12.0
Muktsar	J-34	1190	2040	-41.7
Bhatinda	J-34	109990	123250	-10.8
Mansa	J-34	2975	3910	-23.9
Sirsa	J-34	5950	9520	-37.5
Sri-Ganganagar	J-34	11900	6290	89.2
Hanumangarh	B.T. Cotton	3100	3950	-21.5

**Cotton Arrival: Weekly Outlook**

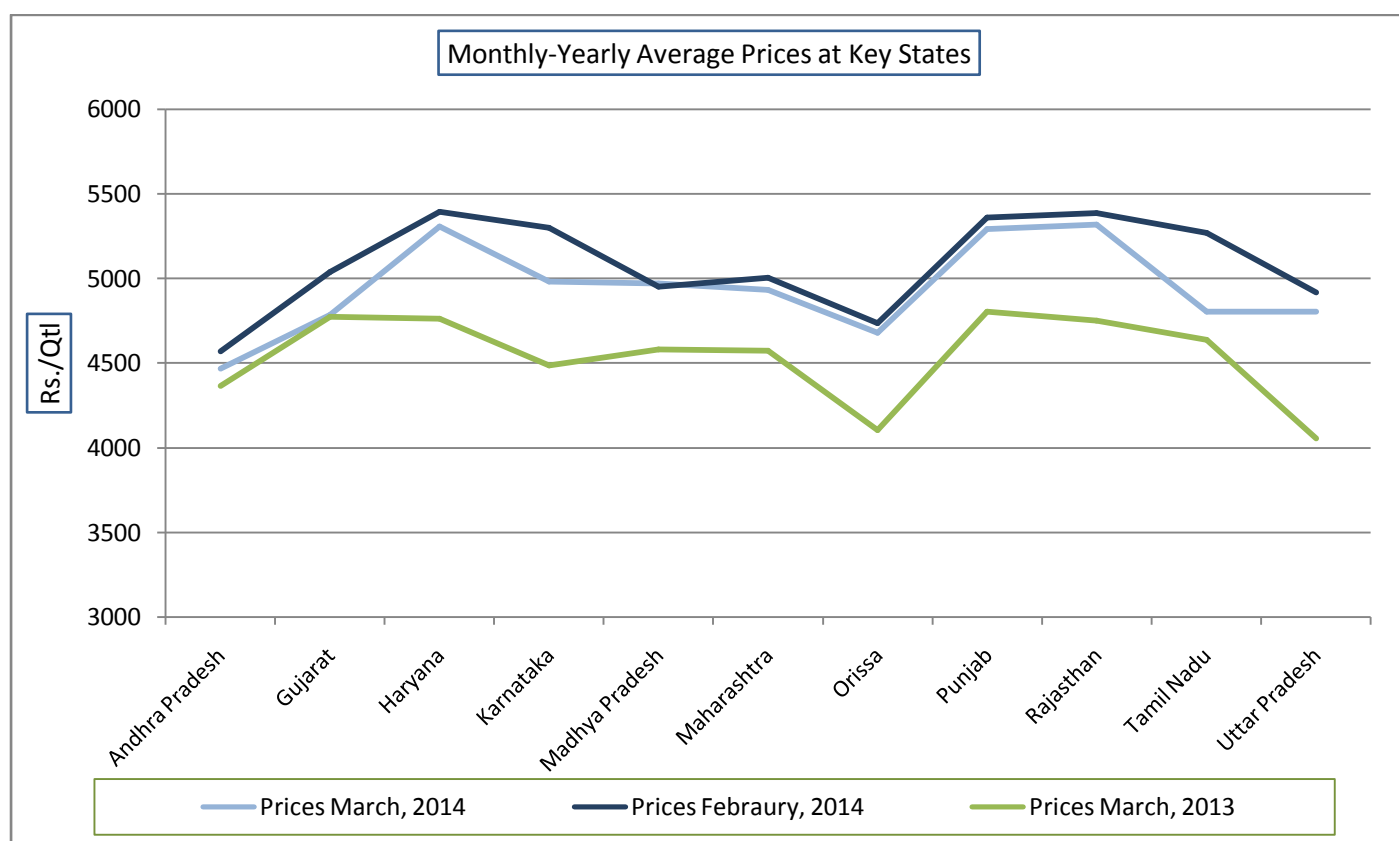
Arrivals are showing mixed pattern during the week. Farmers have released their final produce and very little inventories have been stocked in most of the regions. We expect fall in arrivals in coming days in most of the markets in the country.

### 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	4465.7	4571.46	4367.01	-2.31	2.26
Gujarat	4786.82	5039.08	4774.4	-5.01	0.26
Haryana	5306.36	5393.58	4761.94	-1.62	11.43
Karnataka	4980.88	5298.17	4485.53	-5.99	11.04
Madhya Pradesh	4971.61	4950.15	4579.79	0.43	8.56
Maharashtra	4934.26	5006.12	4573.28	-1.44	7.89
Orissa	4679.14	4736.52	4104	-1.21	14.01
Punjab	5291.68	5360.84	4805.05	-1.29	10.13
Rajasthan	5318.81	5384.71	4752.27	-1.22	11.92
Tamil Nadu	4805.34	5267.86	4638.4	-8.78	3.6
Uttar Pradesh	4803.1	4916.99	4055.47	-2.32	18.44
Average	5389.69	5358.87	4536.1		

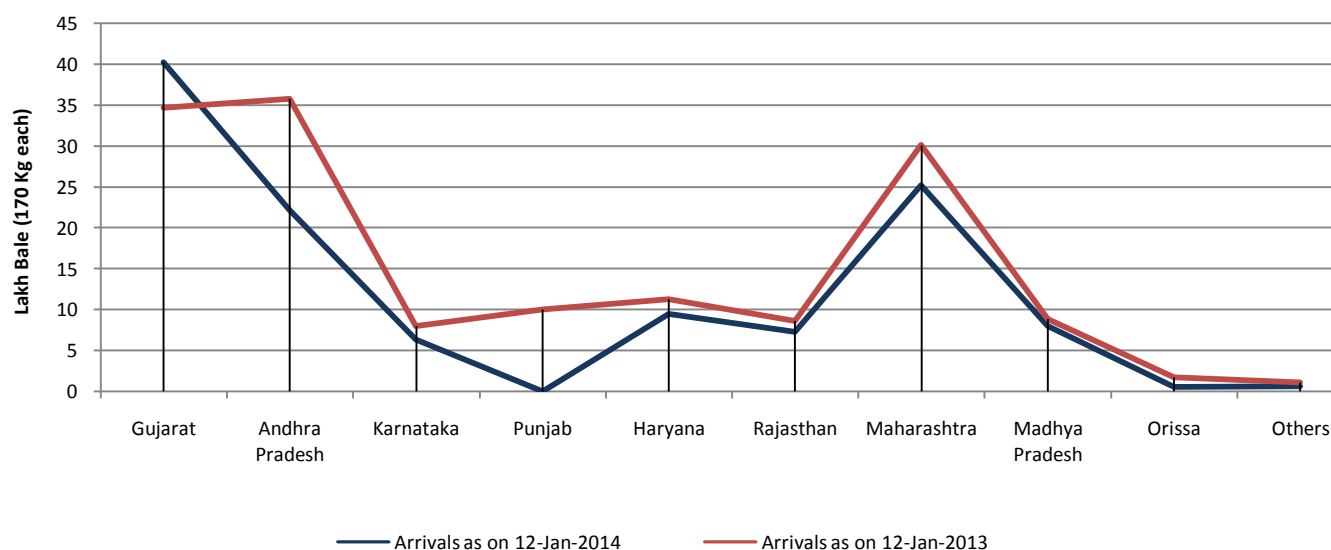
Source:Agmarknet



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
<b>A. North Total (1+2+3)</b>	<b>58</b>	<b>25.04</b>	<b>63</b>	<b>36.6</b>
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>B. Central Total (4+5+6)</b>	<b>216</b>	<b>87.79</b>	<b>191</b>	<b>89.05</b>
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
<b>C. South Total (7+8+9)</b>	<b>95</b>	<b>36.96</b>	<b>105</b>	<b>53.28</b>
10. Orissa	4	0.86	4	2.15
11. Others	2	0.76	2	1.15
<b>D. Total (10+11)</b>	<b>6</b>	<b>1.62</b>	<b>6</b>	<b>3.3</b>
<b>Grand Total (A+B+C+D)</b>	<b>375</b>	<b>151.41</b>	<b>365</b>	<b>182.23</b>

State wise Arrival Progress

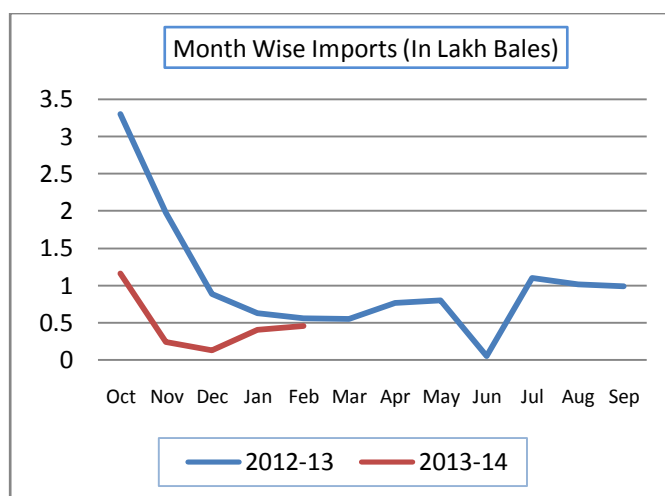
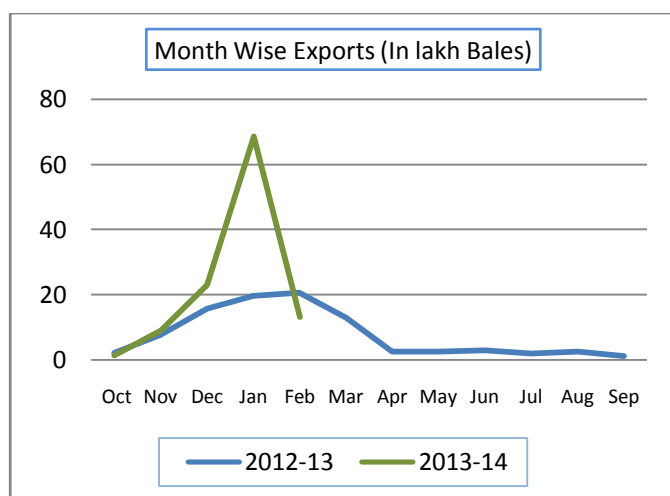


Source: Cotton Corporation of India

### 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	
<b>Total</b>	<b>93.12</b>	<b>115.36</b>

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	
<b>Total</b>	<b>12.61</b>	<b>2.403</b>



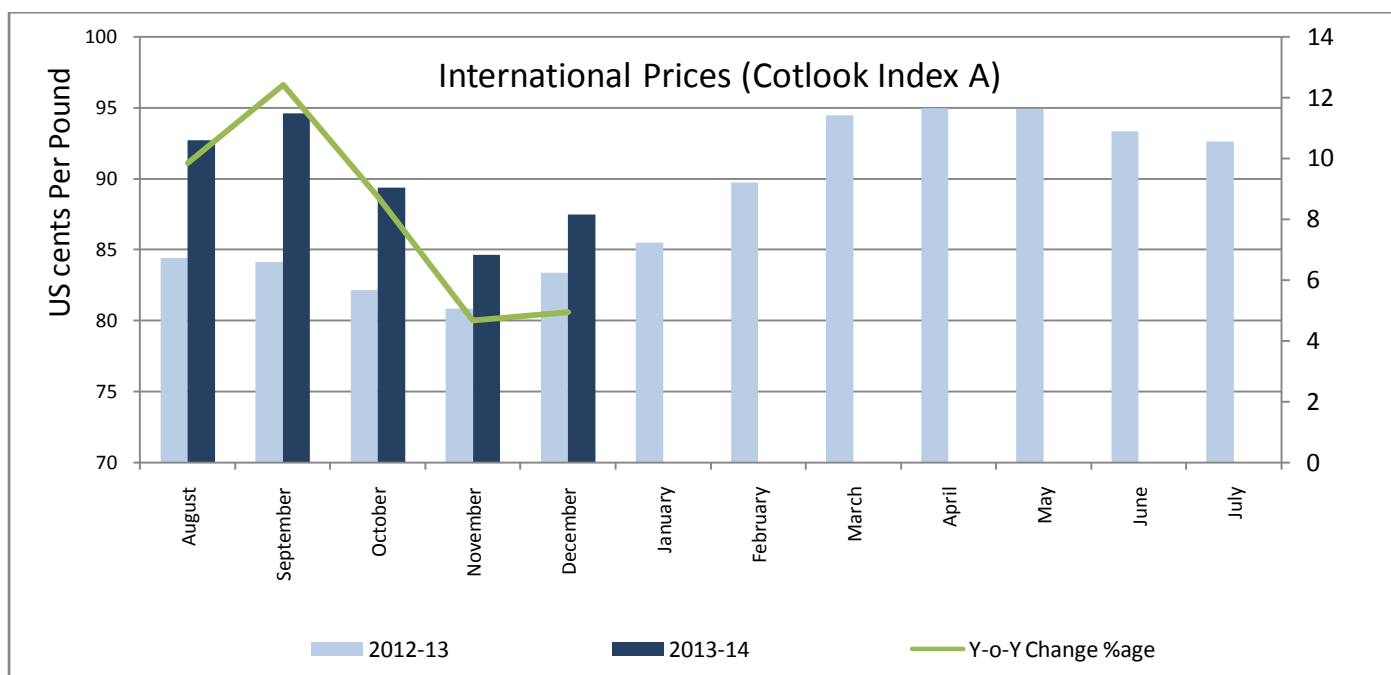
Export Break Up by Major Countries During February'14	
Country	Quantity (In Lakh Bales)
China	5.43
Bangladesh	2.65
Pakistan	1.04
Vietnam	0.97
Turkey	0.57

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	28/03/2014	28/02/2014	28/03/2013	% Month Change	% Y-o-Y Change
<b>Mar-14</b>		86.91	87.01	-	-
<b>May-14</b>	92.56	87.81	86.67	5.41	6.80
<b>Jul-14</b>	92.37	87.27		5.84	-
<b>Oct-14</b>	81.49	80.27		1.52	-
<b>Dec-14</b>	79.45	77.84		2.07	-
<b>Mar-15</b>	79.55	78.18		1.75	-
<b>May-15</b>	79.53				-

## COTTON FUTURES

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



### Weekly Technical Outlook

- Prices of cotton ruled bearish during the week.
- Candlesticks denote weak sentiments in the market.
- RSI is fluctuating in neutral region supporting sluggish movement in near term.
- For the coming week, we expect bearish movement.

### Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Bearish Momentum	825-850

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
815	800	860	865

\*values in Rs./20 kgs

### Technical Analysis of Cotton Future (May'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
<b>Bullish Momentum</b>	<b>92-96</b>

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
<b>96</b>	<b>94</b>	<b>97</b>	<b>99</b>

\*values in Cents. /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> © 2013 Indian Agribusiness Systems Pvt Ltd.