

Current Market Outlook

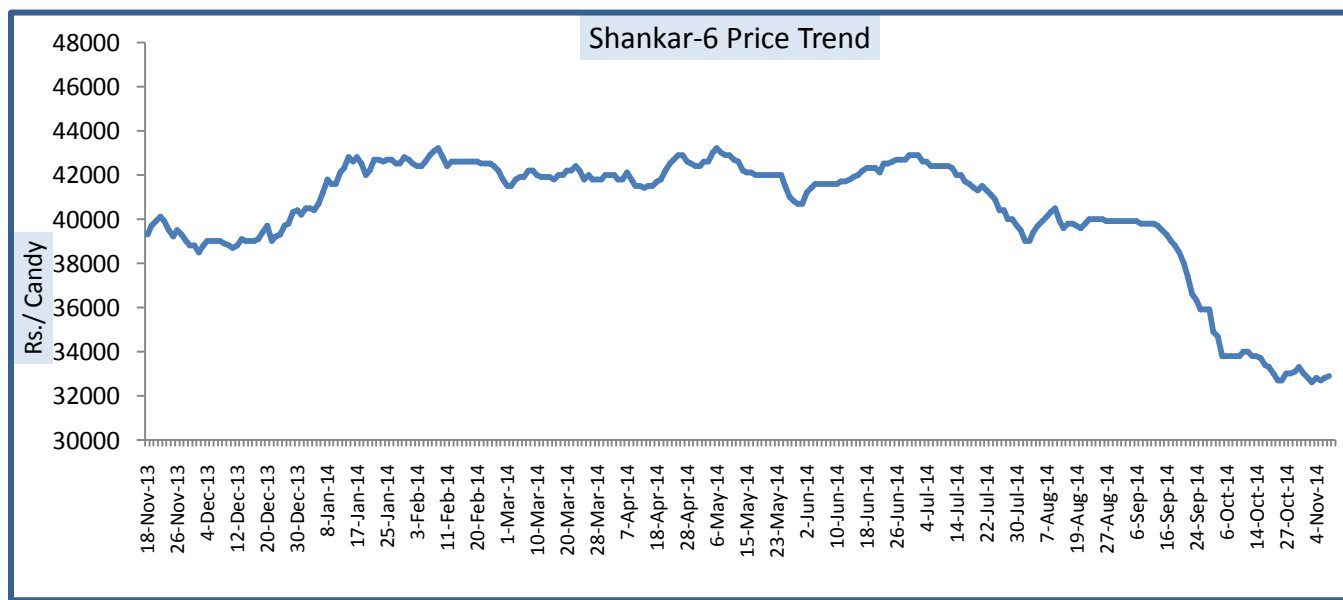
On the worrisome condition of farmers in Vidarbha, a congress delegation met Chief minister Devender Fadnavis and requested the state government to start the process of procurement in the region and pay higher minimum support price (MSP) in order to relief farmers from the crisis. It should be noted that the six more farmers have ended their lives in Vidarbha region in last two days on fears of crop loss.

Telangana farmers are complaining about the delayed set up of procurement center by Cotton Corporation of India (CCI) in the state. According to District General Secretary of Khammam, only one procurement center has been established in the district against the requirement of twelve.

Cotton yield is expected to fall drastically in Nizamabad district of Andhra Pradesh due to pest attack in the crop which has led to withered cotton bolls. Around 3.33 lakh hectares was sown for cotton in Nizamabad district and only 30-40% yield is expected in the Kharif cotton.

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.

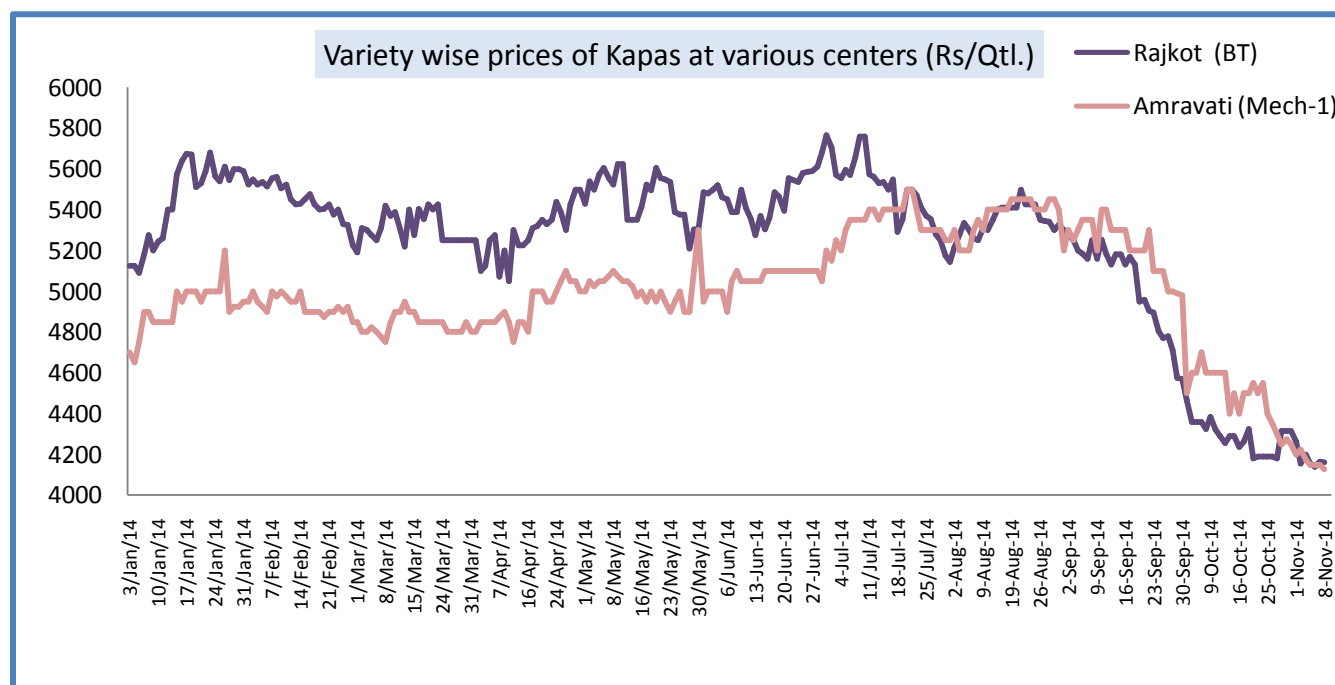


Cotton Prices and Arrivals

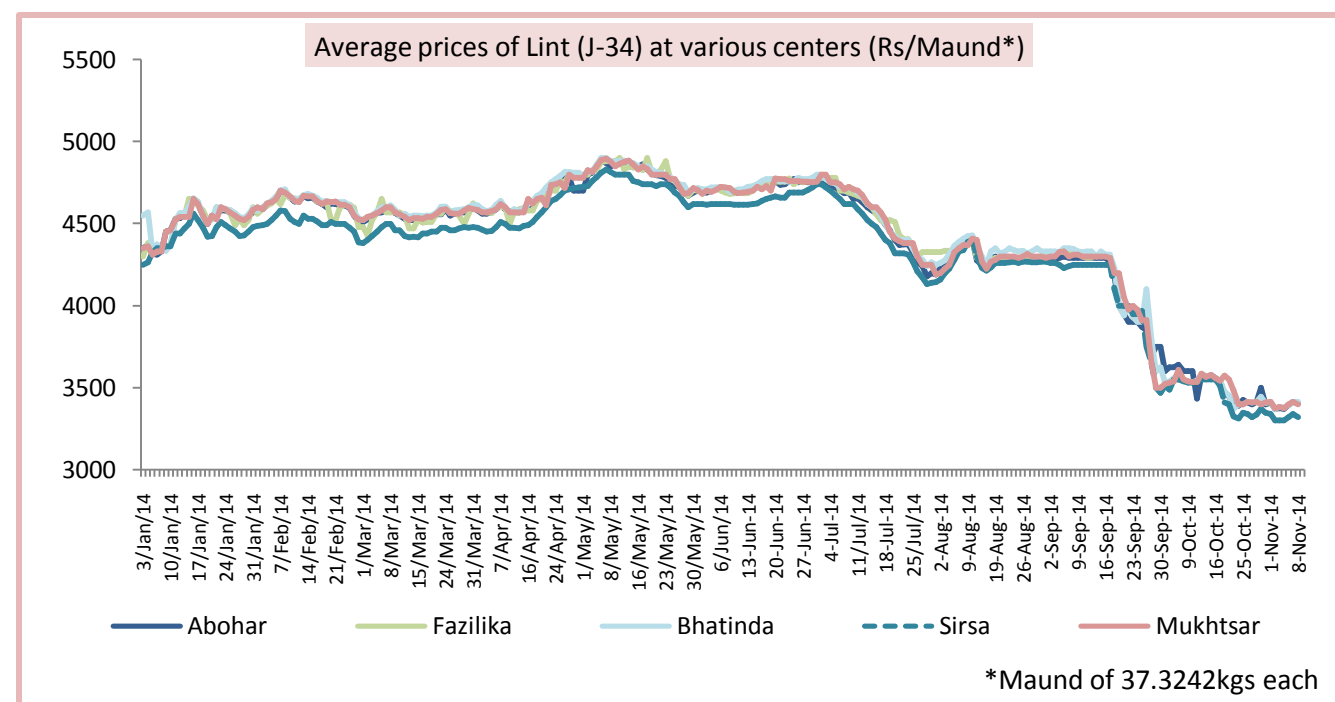
Cotton Prices at Key Spot Centers:

Centre	Variety	Weekly Average Prices		Change
		01 st -07th Aug 14	25th To 31st Oct 14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4175	4245	-70
Khandwa	Mech-1	4175	4220	-45
Khargaon	Mech-1	4175	4220	-45
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4210	4315	-105
Rajkot	B.T. Cotton	4180	4250	-70
Patan	B.T. Cotton	3335	4230	-895
Deesa	B.T. Cotton	3865	NA	
Muktsar	B.T. Cotton	4110	4130	-20
Fazilika	B.T. Cotton	4030	4125	-95
Bhiwani	B.T. Cotton	4090	4255	-165
Adampur	B.T. Cotton	4070	4185	-115
Fatehabad	B.T. Cotton	4130	4185	-55
Dabwali	B.T. Cotton	4020	4085	-65
Jind	B.T. Cotton	4205	4290	-85
Uchana (Jind)	B.T. Cotton	4030	4190	-160
Rawatsar (Hanumangarh)	B.T. Cotton	4020	4090	-70
Hubli	B.T. Cotton	4215	4145	70
	Kapas			
Ahmedabad	Shankar-6	4090	4220	-130
Gondal	Shankar-6	4195	4305	-110
	Kapas			
Bijapur	Bunny	4375	4175	200
Hubli	D.C.H.	4649	NA	
Raichur	H-44 Cotton	4120	4265	-145
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	3390	3425	-35
Muktsar	J-34	3395	3410	-15
Fazilika	J-34	3393	3415	-22
Bhatinda	J-34	3395	3420	-25
Mansa	J-34	3390	3415	-25
Sirsa	J-34	3317	3344	-27
Sri-Ganganagar	J-34	3145	3355	-210
Hanumangarh	B.T. Cotton	4010	4090	-80

Average Prices of Kapas (Seed Cotton) at Key Centers:

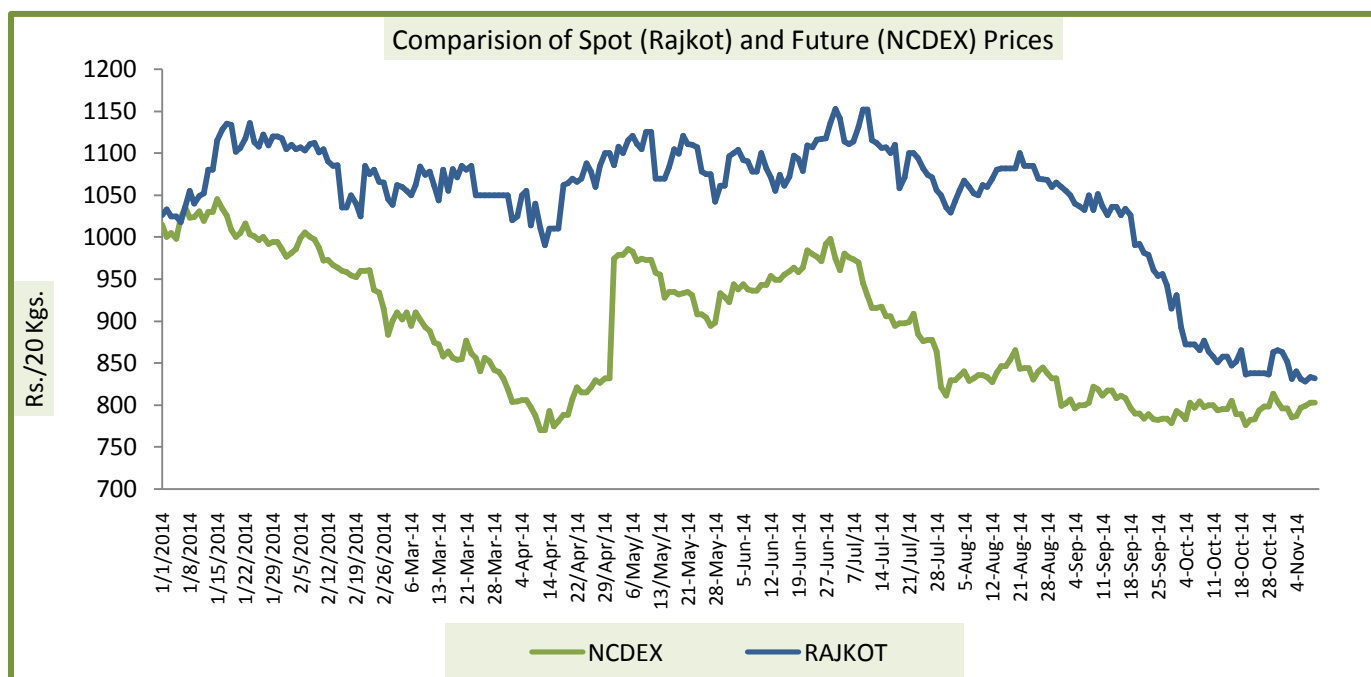


Average Prices of Lint at Various Centers:



Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				06-11-2014	A week ago	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	37200	37320	-120
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	37800	38100	-300
J-34(202)	26mm	3.5 - 4.9	23	31060	31360	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31980	32300	-320
Shankar-6(105)	29mm	3.5 - 4.9	28	32740	33080	-340
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33920	34400	-480
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34760	35320	-560
DCH-32(107)	34mm	3.0 - 3.8	33	43700	43700	Unch

Movement of Prices at Spot and Future Market:


Both spot and future market has noticed a little recovery in the prices following the amplified export demand which has been noticed last month as new season commences in the country but overall exports would be on lower side during the season leading to the prices to fall. Also production in the country is expected higher which is also pressuring the prices to remain timid.

Cotton Arrivals in Key Centers:

Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		01st TO 07th Aug 14	25th To 31st Oct 14	
Amravati	Mech-1	1690	220	1470
Khandwa	Mech-1	1200	2000	-800
Khargaon	Mech-1	20000	30000	-10000
Mahesana(Kadi)	B.T. Cotton	13500	43500	-30000
Rajkot	B.T. Cotton	26365	6070	20295
Patan	B.T. Cotton	81020	36622	44398
Deesa	B.T. Cotton	1050	NA	-
Fazilika	B.T. Cotton	9500	9500	Unch
Bhiwani	B.T. Cotton	18000	29500	-11500
Adampur	B.T. Cotton	4080	4335	-255
Fatehabad	B.T. Cotton	5600	6300	-700
Dabwali	B.T. Cotton	4950	4690	260
Jind	B.T. Cotton	3579	3910	-331
Uchana (Jind)	B.T. Cotton	7200	4070	3130
Rawatsar (Hanumangarh)	B.T. Cotton	8000	2550	5450
Hubli	B.T. Cotton	492	172	-420
Ahmedabad	Shankar-6	139400	42500	96900
Gondal	Shankar-6	12974	6880	6094
Bijapur	Bunny	2935	545	2390
Hubli	D.C.H.	26	4	22
Raichur	H-44 Cotton	9149	6704	2445
Abohar	J-34	8840	6970	1870
Muktsar	J-34	NA	NA	-
Bhatinda	J-34	185300	137700	47600
Mansa	J-34	5100	6018	-918
Sirsa	J-34	9265	9010	255
Sri-Ganganagar	J-34	11900	10200	1700
Hanumangarh	B.T. Cotton	25000	15500	9500

Arrivals of new crop are picking up the pace. According to the market participants production of the cotton this year would surpass the production of previous year. Cotton production in India during the current season (Oct'14-Sep'15), would be around 400 lakh bales (of 170 kgs. each), as estimated by consultative committee of the Cotton Advisory Board (CAB). According to the latest estimates of Agriwatch, output of cotton in the country would stand around 395 lakh bales compared to 366 lakh bales in previous season.

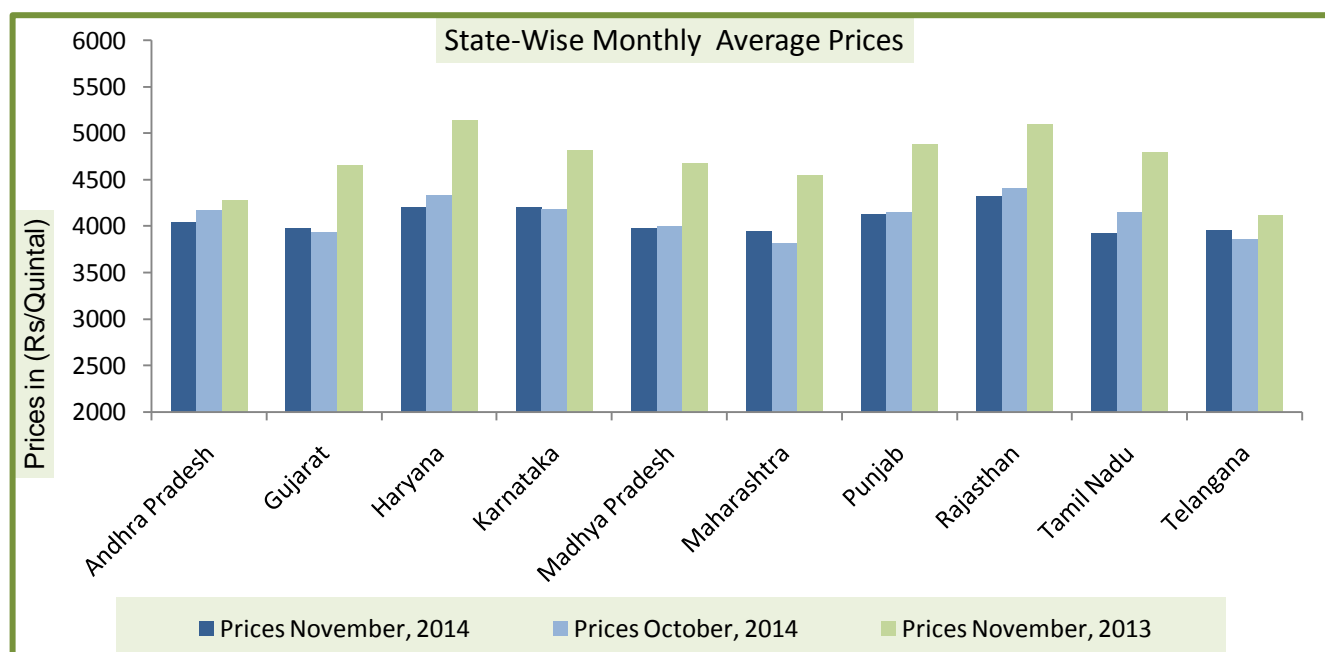
State wise Scenario

State wise Prices (Rs./Qtl.)

State	Prices November, 2014	Prices October, 2014	Prices November, 2013	% Change(Over Previous Month)	%Change(Over Previous Year)
Andhra Pradesh	4041.53	4172.03	4281.29	-3.13	-5.6
Gujarat	3967.94	3934.48	4654.95	0.85	-14.76
Haryana	4199.38	4338.31	5144.33	-3.2	-18.37
Karnataka	4200.3	4177.88	4815.38	0.54	-12.77
Madhya Pradesh	3969.45	3996.78	4673.34	-0.68	-15.06
Maharashtra	3940.33	3809.69	4541.23	3.43	-13.23
Punjab	4123.61	4151.44	4877.22	-0.67	-15.45
Rajasthan	4312.98	4410.35	5098.95	-2.21	-15.41
Tamil Nadu	3924.12	4139.55	4796.42	-5.2	-18.19
Telangana	3950.76	3859.63	4115.08	2.36	-3.99
Average	4063.04	5490.6	4710.5		

*Source: Agmarknet

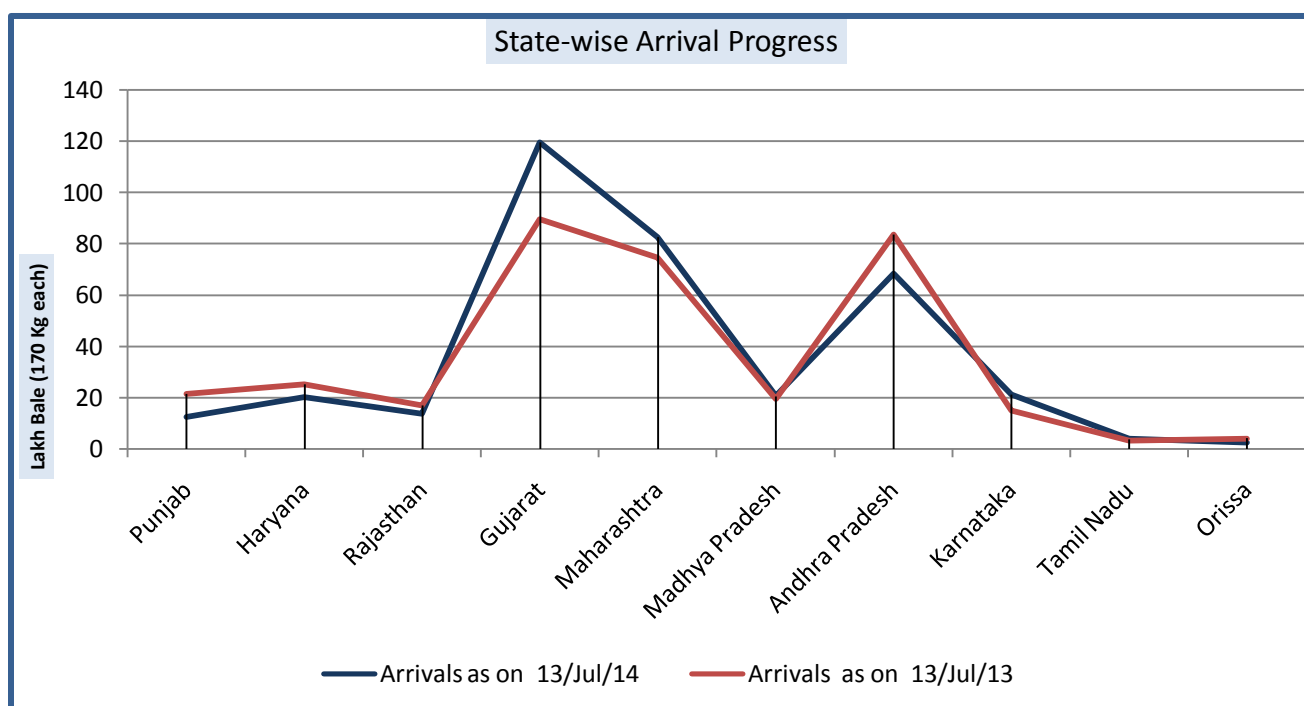
In all the mentioned states, cotton prices are showing downtrend on Y-o-Y basis in major cotton marketing centers. On M-o-M basis also, prices are showing downtrend except Gujarat, Karnataka, Maharashtra and Telangana. Currently highest prices are being noticed in Rajasthan and Karnataka.



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

States	2013-14*		2012-13	
	Production as per CAB 2/Jul/14	Arrivals As on 13/Jul/14	Production as per CAB 2/Jul/13	Arrivals As on 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

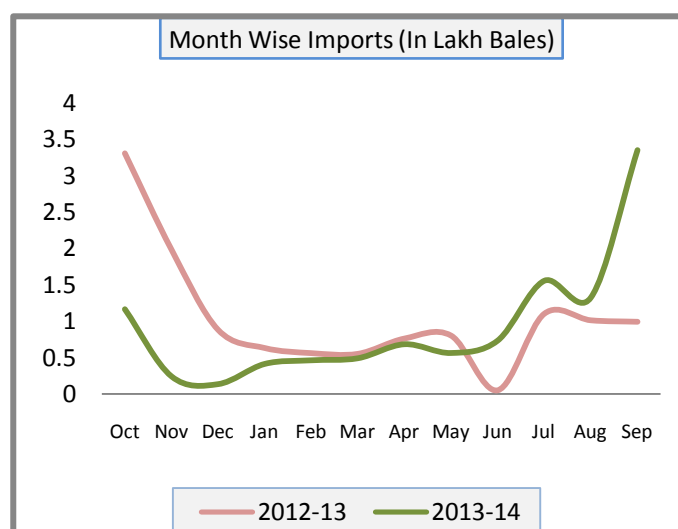
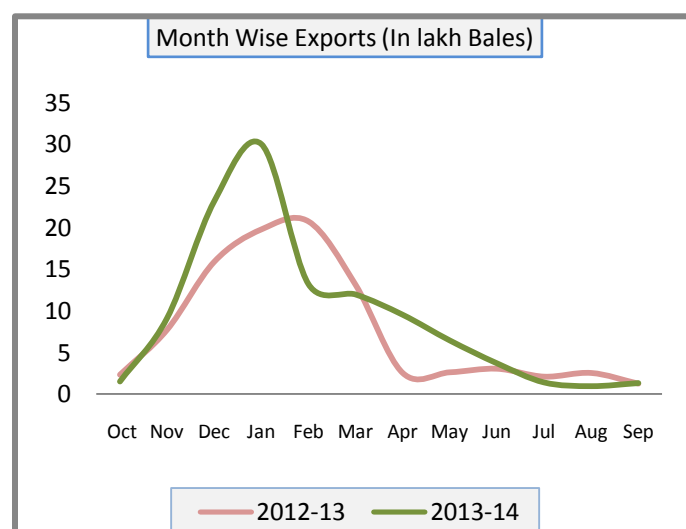
* Inclusive of new crop arrivals in September 2013
**Source : Cotton Corporation of India (CCI)



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	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

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



Weekly Export Import Data

Date	27 Oct-02 Nov 2014	20-26 Oct 2014
Export (In lakh Bales)	0.51	0.62
Import (In lakh Bales)	0.37	0.31

Source: IBIS

International Market Scenario

Brazil monthly cotton export stood 148,500 tonnes in October 2014, the highest monthly volume recorded in last two years. The same could lift the estimated export volume for the year 2014, which is 660,000 tonnes forecasted by Conab.

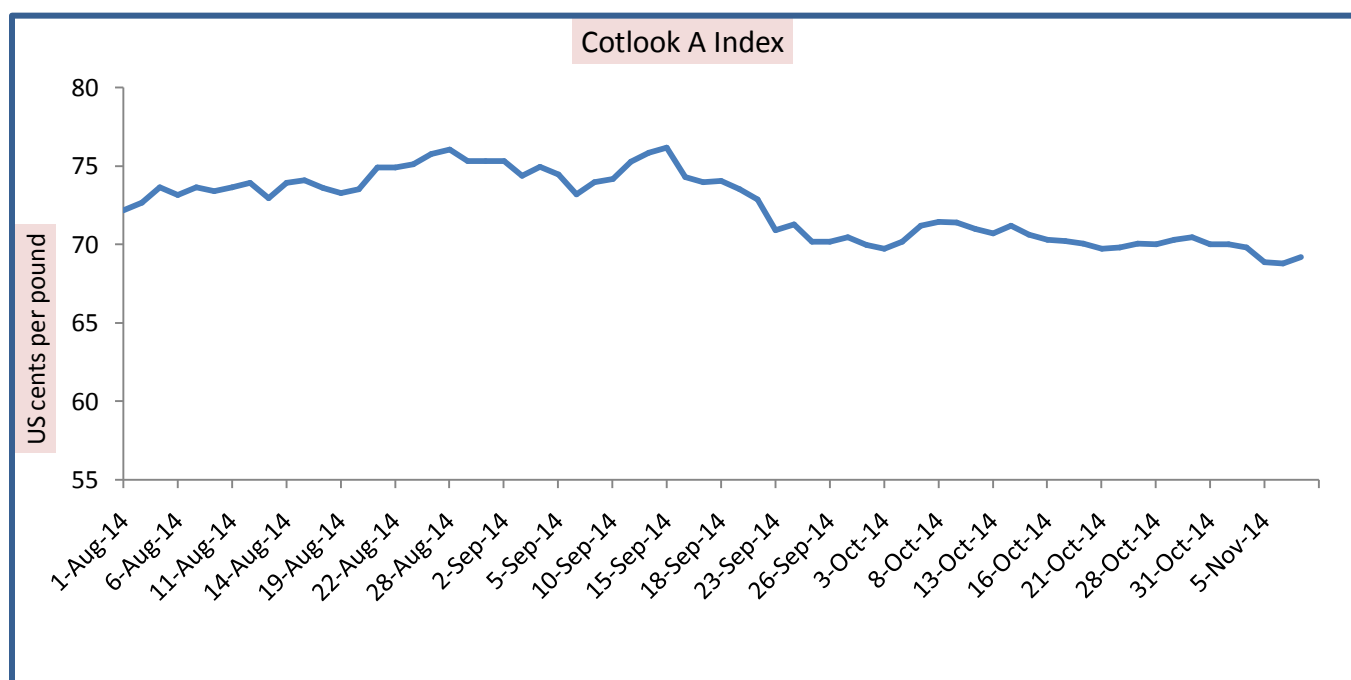
China has announced that it will pay subsidy of Yuan 2000 (USD 330) to the farmers on per tonnes of cotton harvested outside the top producing region, Xinjiang.

According to the latest report released by USDA, as on November 02, 2014, 48% of cotton crop in USA is in excellent to good condition, which was same last week and 43% a year ago. 95% bolls open has reported in cotton which was 91% last week and 97% as five year average. 50% of cotton harvesting reported which was 42% a week ago and 51% as a 5 year average.

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.

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.

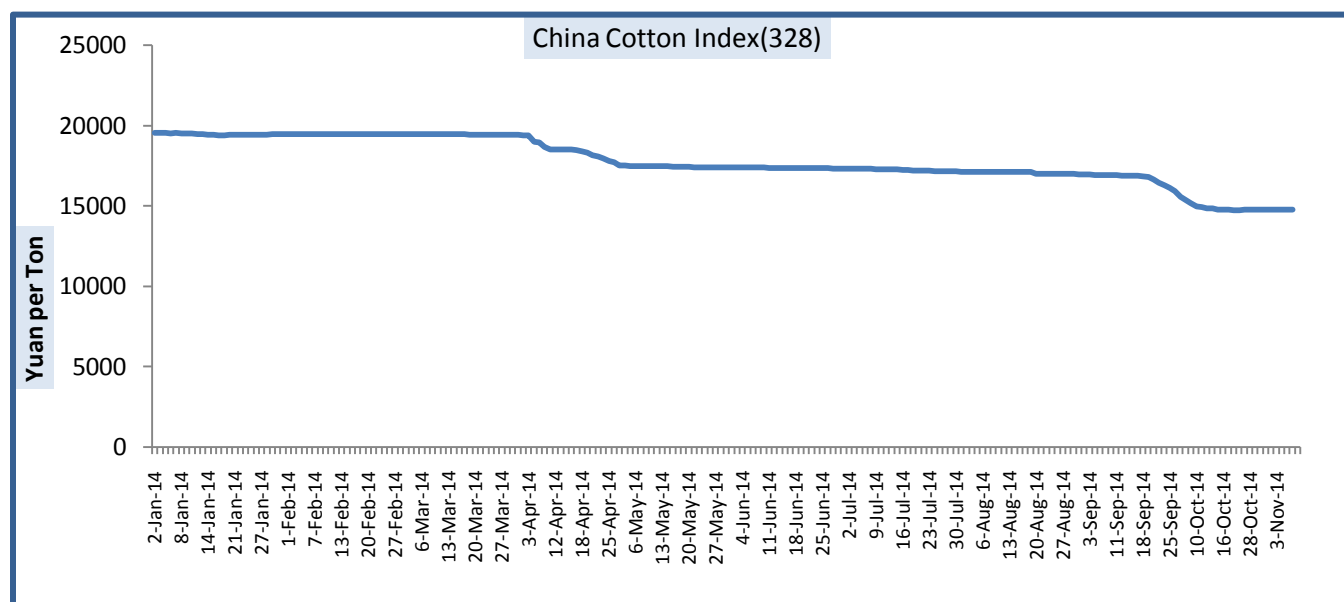
China imported around 122,900 tonnes of cotton in September this year, 39% lower when compared to same month last year, reported China Cotton Association (CCA). During the initial nine month of the year, China imported 2 million tonnes of cotton, 38% lower when compared to same period last year.



International Prices and Indices

China Cotton Index:

CC Indices	7-Nov-14	31-Oct-14	% Change
CC Index(229)	15317	15288	0.19
CC Index(328)	14795	14786	0.06
CC Index(527)	13687	13678	0.07
Prices in Yuan per Ton			

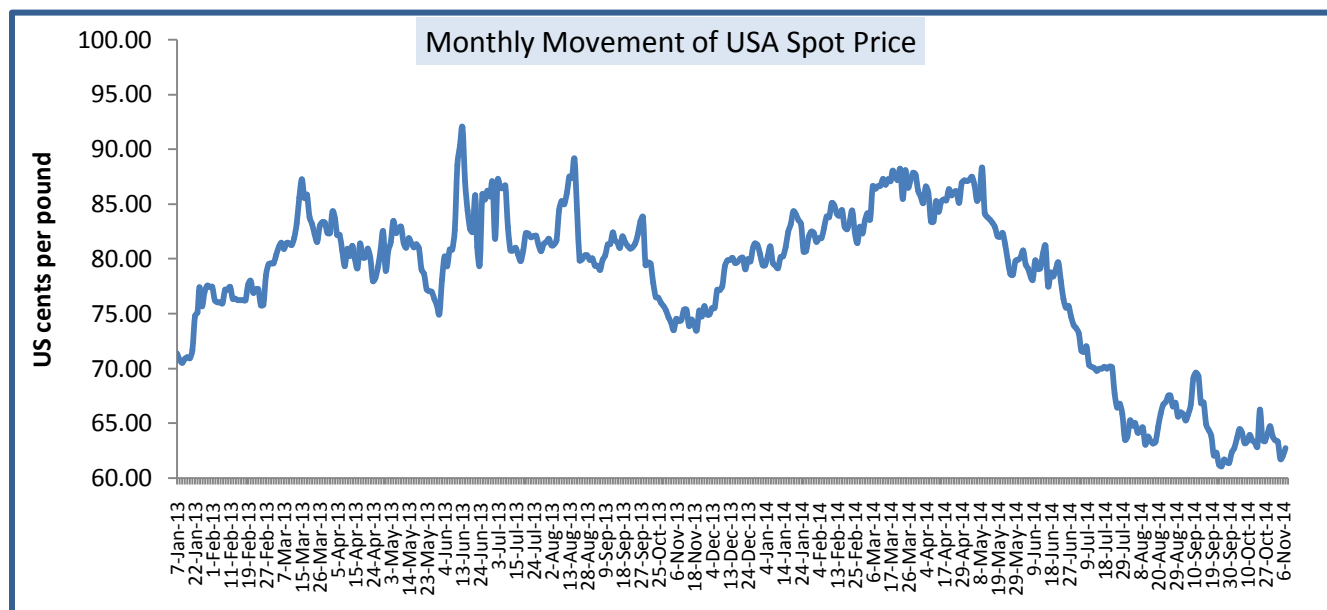


Cotlook A Index:

Date	7-Nov-14	31-Oct-14	% Change
Prices	69.2	70.34	-1.62
Prices in US cents per Pound			

USA Spot Prices:

Date	7-Nov-14	31-Oct-14	% Change
Prices	62.76	63.70	-1.48
Prices in US cents per Pound			


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

Month	2013-14	2014-15	Y-o-Y % Change
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		

Cotton Futures (ICE):

Contracts	07-Nov-2014	31-Oct-2014	07-Nov-2014	%W-o-W change	%Y-o-Y change
Oct-14	63.96	64.45	76.98	-0.76	-16.91
Dec-14	62.61	62.92	--	-0.49	--
Mar-15	63.57	63.80	--	-0.36	--
May-15	64.33	64.61	--	-0.43	--
Jul-15	65.78	65.67	--	0.17	--
Oct-15	66.31	66.61	--	-0.45	--

Figures in US cents per pound

Cotton Futures

Technical Analysis of Cotton Future (April'15 Contract) at NCDEX:



Weekly Technical Outlook:

- Candlesticks denote bullish movement during the week.
- RSI is moving overall high in neutral region supporting bullish tone.
- MACD is depicting bullish signal line and centerline cross over.
- Prices closed below the 9 and 18 days EMA.
- We expect cotton prices to remain firm to range bound in coming days.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Bullish to Range Bound	785-810

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
780	775	825	835

Figures in Rs. per 20Kgs.

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

Weekly Technical Outlook:

- Candlesticks denote range bound to firm momentum.
- Strong prices and declining V&OI depict long liquidation in the market.
- We expect prices to remain firm to range bound in the coming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Bullish to Range Bound	62.40-66.40

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.20	61.00	67.20	67.80

Figures in US cents per pound

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