

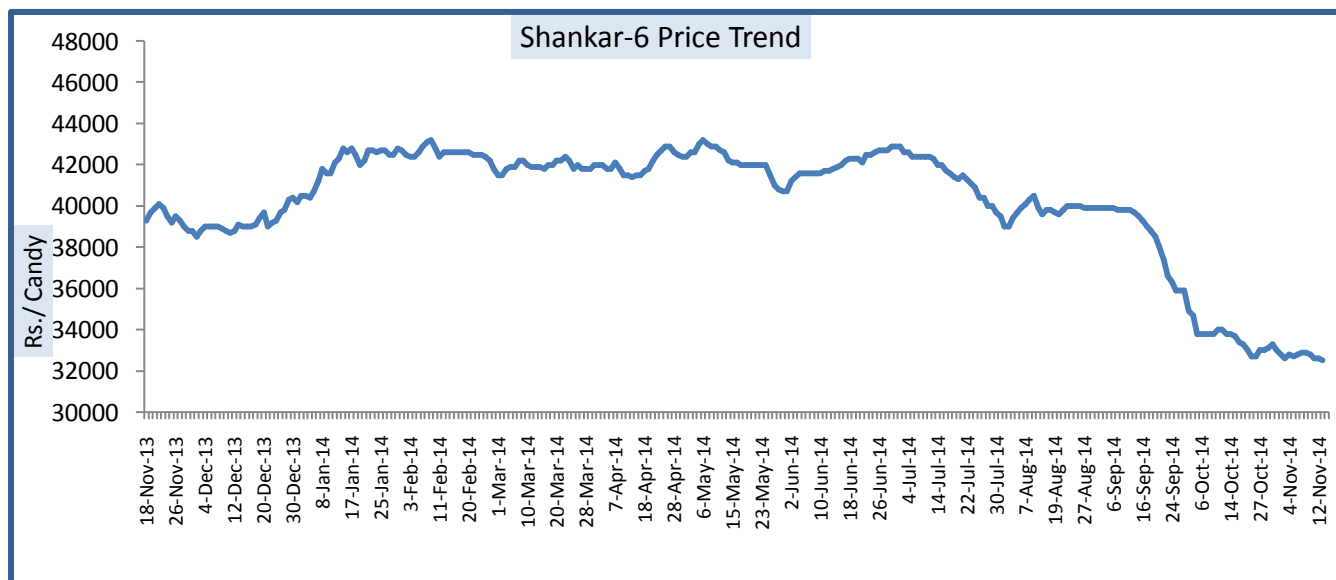
Current Market Outlook

In order to discuss the measures to control the continuously falling cotton prices, Agriculture Minister Radha Mohan Singh called a meeting with textile and commerce counterparts. The government has decided to set up more procurement centers primarily in major cotton producing states including Gujarat, Maharashtra, Andhra Pradesh and Telangana. Cotton Corporation of India (CCI) has been asked to procure the produce by setting up procurement centers wherever the prices are ruling below the MSP. To relief the farmers from the price crash, the government has freed the cotton procurement from cap i.e. they agencies would buy whatever quantity comes to them.

Farmers of agriculture crops including cotton could face trouble selling their produce at minimum selling price (MSP) as NAFED, the main agency which undertakes the MSP procurement is through the severe financial crisis. The National Agriculture Cooperative Marketing Federation of India (NAFED) facing the liquidity crunch which is making it impaired to go for any MSP operation. Besides the sum of Rs. 300 crore which is owed to it by central government, it has the hole of Rs. 1200 crore in its accounts book due to an investment fraud.

Cotton production in India would be around 405.50 lakh bales this season (Oct'14-Sep'15) compared to 407.25 lakh bales a season ago, according to Cotton Association of India (CAI). The decline in the crop output is anticipated due to fall in productivity in Gujarat, the major cotton producing state in India. According to CAI, Gujarat is likely to produce 126 lakh bales of cotton this year compared to 129.25 lakh bales last year. The total supply would be around 477.40 lakh bales, domestic consumption is projected to be around 306 lakh bales, and hence leaving the surplus of 171.40 lakh bales estimated CAI in its balance sheet for season 2014-15.

Sharad Pawar, President of Nationalist Congress Party (NCP) has blamed the newly formed BJP government for ignoring farmers in the state. According to him, farmers particularly of cotton and sugarcane are facing troublesome situation as they are getting low prices of their produce and BJP government has also stopped procuring cotton from this year. Furthermore the subsidy of Rs. 300 per quintal which was given to the farmers by the state government has also been terminated.



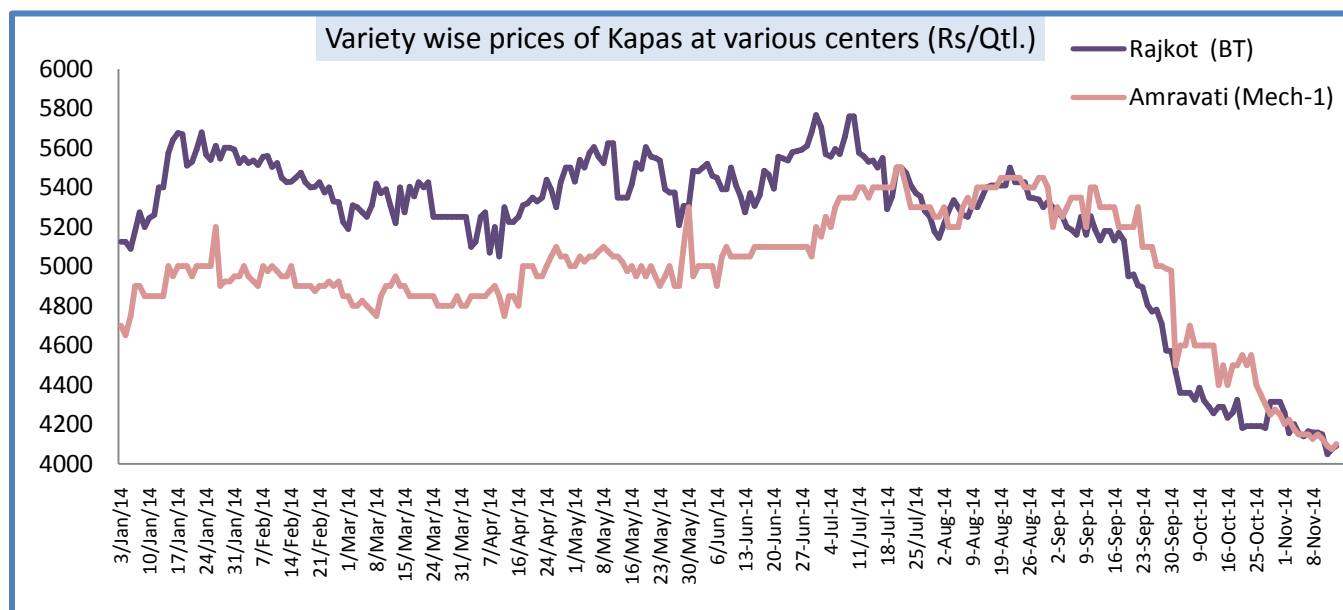
Cotton Prices and Arrivals

Cotton Prices at Key Spot Centers:

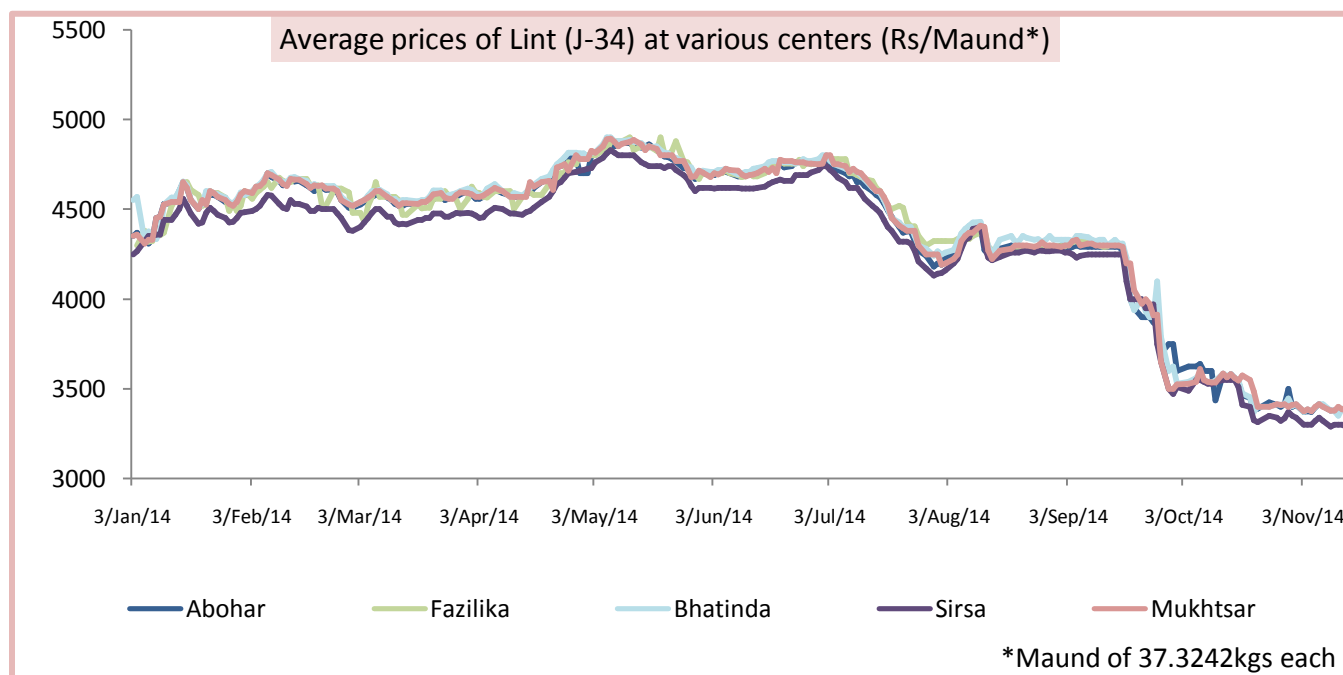
Centre	Variety	Weekly Average Prices		Change
		As on 14 Nov 2014	As on 07 Nov 2014	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4110	4175	-65
Khandwa	Mech-1	4060	4175	-115
Khargaon	Mech-1	4060	4175	-115
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4155	4210	-55
Rajkot	B.T. Cotton	4115	4180	-65
Patan	B.T. Cotton	4115	3335	780
Deesa	B.T. Cotton	3955	3865	90
Muktsar	B.T. Cotton	4080	4110	-30
Fazilika	B.T. Cotton	4005	4030	-25
Bhiwani	B.T. Cotton	4015	4090	-75
Adampur	B.T. Cotton	4010	4070	-60
Fatehabad	B.T. Cotton	4040	4130	-90
Dabwali	B.T. Cotton	3950	4020	-70
Jind	B.T. Cotton	4095	4205	-110
Uchana (Jind)	B.T. Cotton	4035	4030	5
Rawatsar (Hanumangarh)	B.T. Cotton	3970	4020	-50
Hubli	B.T. Cotton	4160	4215	-55
Hathras	B.T. Cotton(US)	3520	3720	-200
	Kapas			
Ahmedabad	Shankar-6	4090	4090	Unch
Gondal	Shankar-6	4090	4195	-105
	Kapas			
Hathras	Desi	4500	4610	-110
Bijapur	Bunny	4330	4375	-45
Hubli	D.C.H.	4670	4650	20
Raichur	H-44 Cotton	4090	4120	-30
Guntur	Un-Ginned	4050	4050	Unch
Kurnool	Un-Ginned	4250	3500	750
Krishna	Un-Ginned	4050	3850	200
East Godavari	Un-Ginned	4000	3950	50
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	3390	3390	Unch
Muktsar	J-34	3388	3395	-7
Fazilika	J-34	3370	3395	-25
Bhatinda	J-34	3385	3395	-10
Mansa	J-34	3390	3390	Unch

Sirsa	J-34	3300	3320	-20
Sri-Ganganagar	J-34	3105	3145	-40
Hanumangarh	B.T. Cotton	3970	4010	-40

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

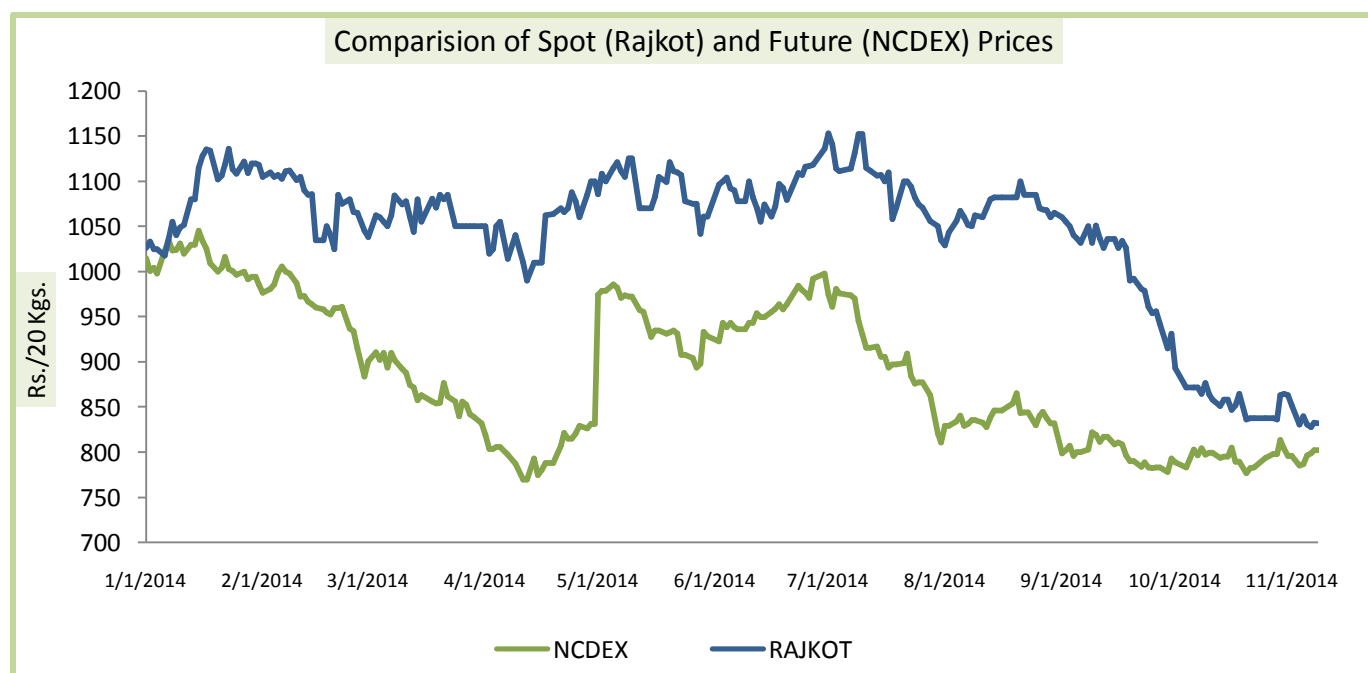


Average Prices of Lint at Various Centers:



Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				7th TO 13th Aug 14	1st TO 6th Aug 14	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	34920	37200	-2280
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	35520	37800	-2280
J-34(202)	26mm	3.5 - 4.9	23	31000	31060	-60
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31985	31980	5
Shankar-6(105)	29mm	3.5 - 4.9	28	32720	32740	-20
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33900	33920	-20
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34685	34760	-75
DCH-32(107)	34mm	3.0 - 3.8	33	43320	43700	-380

Movement of Prices at Spot and Future Market:


Spot and future market of cotton 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
		8th TO 14th Aug 14	1st TO 7th Aug 14	
Amravati	Mech-1	1950	1690	260
Khandwa	Mech-1	3500	1200	2300
Khargane	Mech-1	42000	20000	22000
Mahesana(Kadi)	B.T. Cotton	175000	13500	161500
Rajkot	B.T. Cotton	22300	26365	-4065
Patan	B.T. Cotton	162725	81020	81705
Deesa	B.T. Cotton	7135	1050	6085
Fazilika	B.T. Cotton	9500	9500	Unch
Muktsar	B.T. Cotton	2805	2635	170
Bhiwani	B.T. Cotton	29000	18000	11000
Adampur	B.T. Cotton	6120	4080	2040
Fatehabad	B.T. Cotton	9900	5600	4300
Dabwali	B.T. Cotton	6300	4950	1350
Jind	B.T. Cotton	4794	3579	1215
Uchana (Jind)	B.T. Cotton	11530	7200	4330
Rawatsar (Hanumangarh)	B.T. Cotton	6400	8000	-1600
Hubli	B.T. Cotton	918	492	426
Hathras	B.T. Cotton(US)	237	375	-138
Ahmedabad	Shankar-6	238000	139400	98600
Gondal	Shankar-6	12877	12974	-97
Hathras	Desi	1500	3200	-1700
Bijapur	Bunny	7161	2935	4226
Hubli	D.C.H.	194	26	168
Raichur	H-44 Cotton	15498	9149	6349
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	8	2	6
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	11220	8840	2380
Bhatinda	J-34	214200	185300	28900
Mansa	J-34	6205	5100	1105
Sirsa	J-34	11560	9265	2295
Sri-Ganganagar	J-34	37400	11900	25500
Hanumangarh	B.T. Cotton	17500	25000	-7500

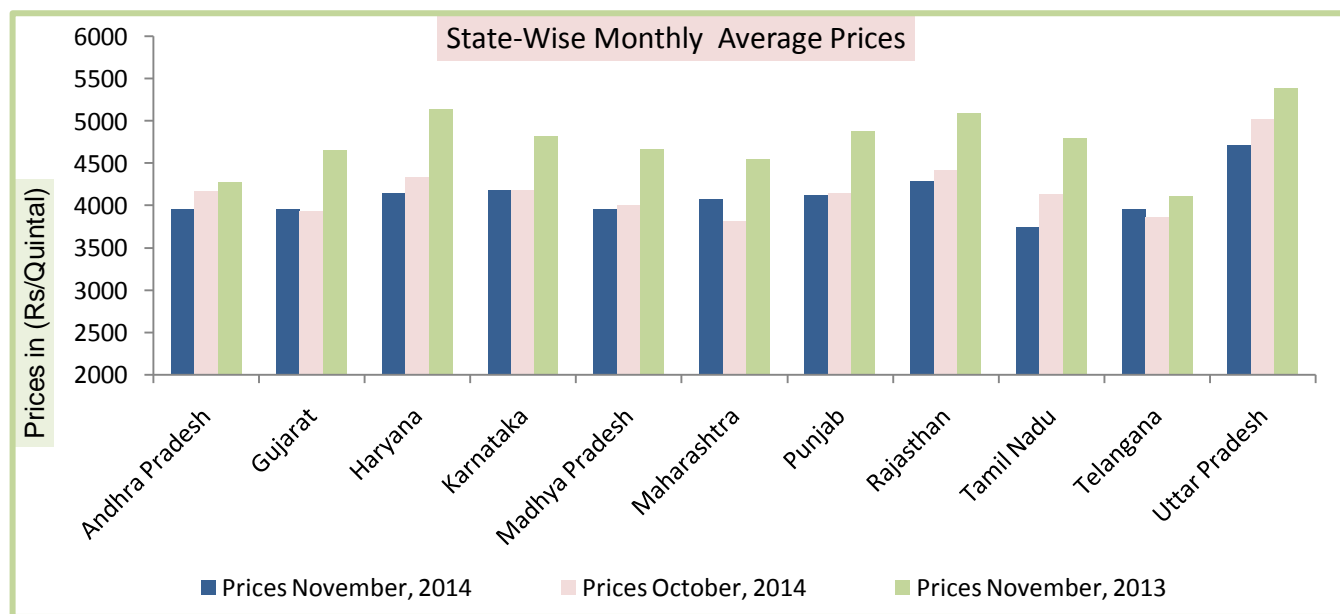
State wise Scenario

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	3961.96	4172.03	4281.29	-5.04	-7.46
Gujarat	3959.2	3934.11	4654.95	0.64	-14.95
Haryana	4146.72	4338.31	5144.33	-4.42	-19.39
Karnataka	4177.78	4177.88	4815.38	--	-13.24
Madhya Pradesh	3958.02	3996.78	4673.34	-0.97	-15.31
Maharashtra	4071.39	3809.69	4541.23	6.87	-10.35
Punjab	4122.34	4151.44	4877.22	-0.7	-15.48
Rajasthan	4289.63	4413.84	5098.95	-2.81	-15.87
Tamil Nadu	3739.1	4131.93	4796.42	-9.51	-22.04
Telangana	3962.8	3863.15	4115.08	2.58	-3.7
Uttar Pradesh	4709.02	5023.33	5392.86	-6.26	-12.68
Average	4099.81	5490.54	4710.5		

*Source: Agmarknet

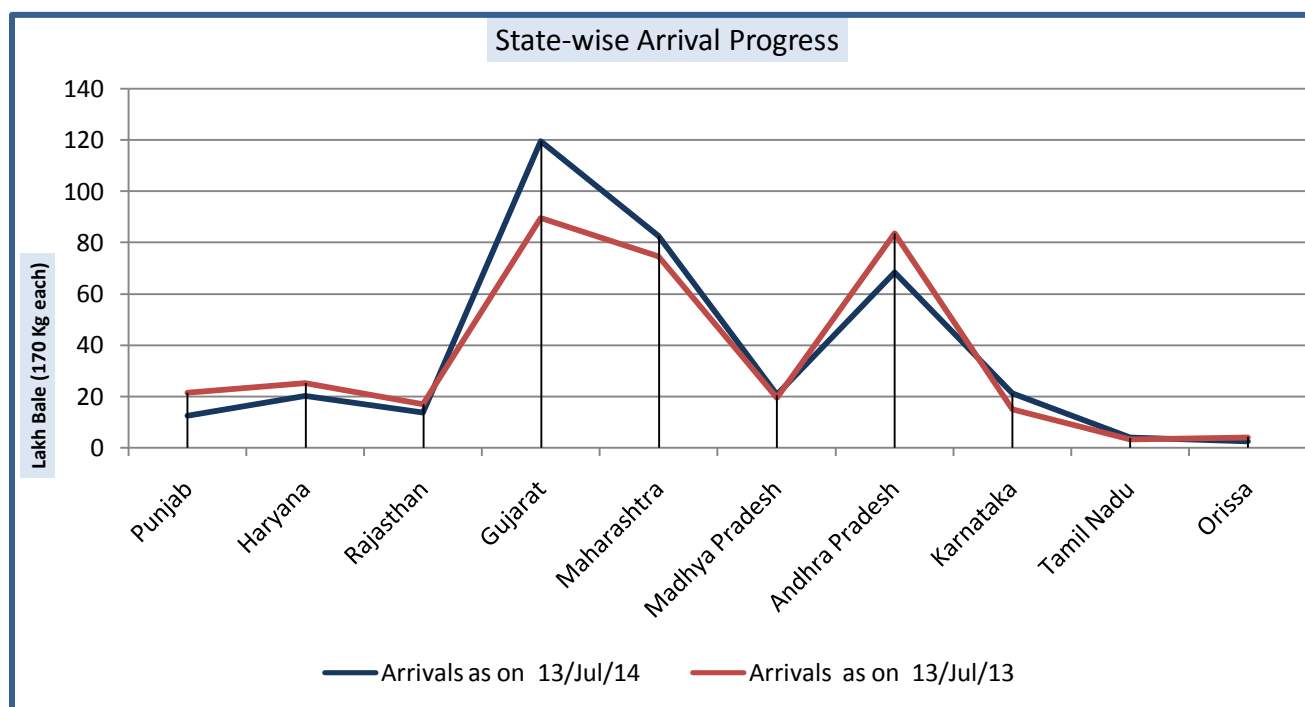
In all the mentioned states, cotton prices are showing downtrend on Y-o-Y basis in major cotton marketing centers. On M-o-M basis also, prices are showing downtrend except Gujarat, Maharashtra and Telangana. Currently highest prices are being noticed in Rajasthan, Uttar Pradesh and Karnataka.



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
	2/Jul/14	13/Jul/14	2/Jul/13	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

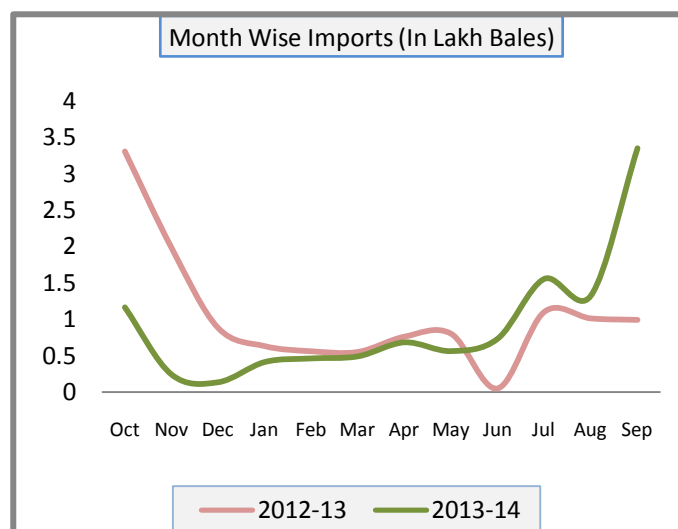
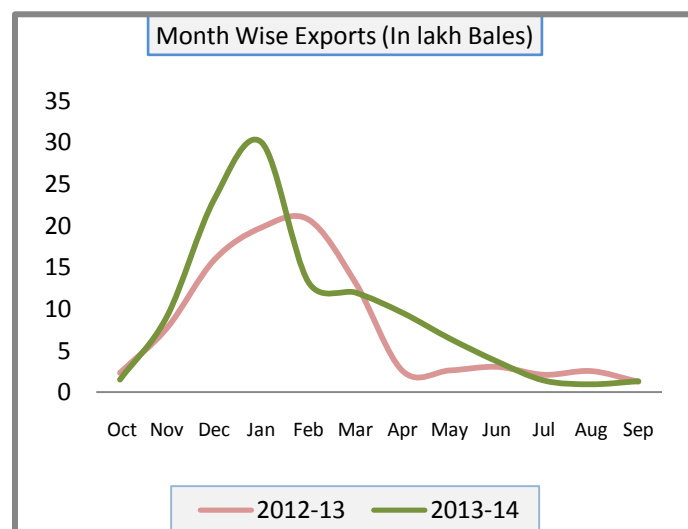
* Inclusive of new crop arrivals in September 2013
**Source : Cotton Corporation of India (CCI)



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	03-09 Nov 2014	27 Oct-02 Nov 2014
Export (In lakh Bales)	0.78	0.51
Import (In lakh Bales)	0.28	0.37

Source: IBIS

International Market Scenario

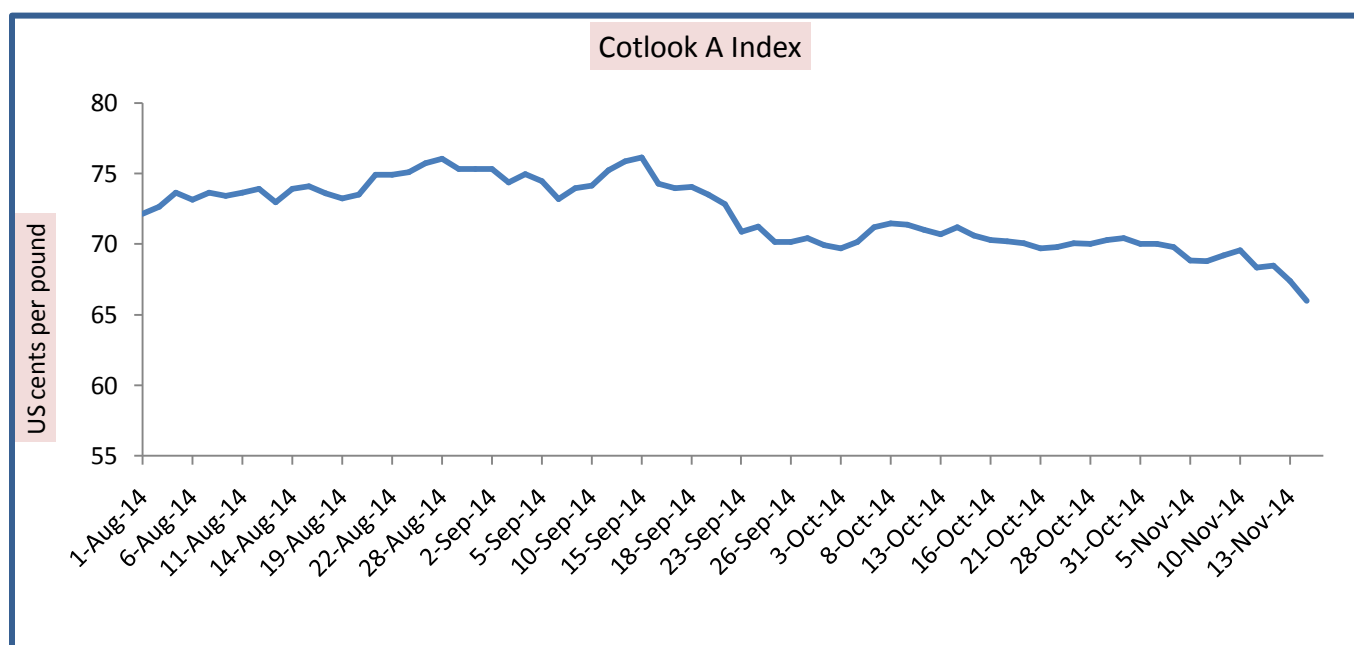
Cotton Future for March delivery on Intercontinental Exchange (ICE) dropped 2.6% and settled at 58.75 US cents a pound in second half today, the lowest since September 2009. The increasing world cotton inventory is the major factor of this drastic price fall. According to USDA cotton ending stock would stand around 23.375 million tonnes this season which was 22.094 million tonnes in 2013-14 and 11.019 million tonnes in 2010-11.

USDA has raised the world cotton production estimates for the season 2014/15. Output of cotton would be around 26.04 million tonnes in the current season (2014/15) which was projected 25.99 million tonnes last month. According to USDA, global cotton production stood 26.90 million tonnes during previous season (2013/14).

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.

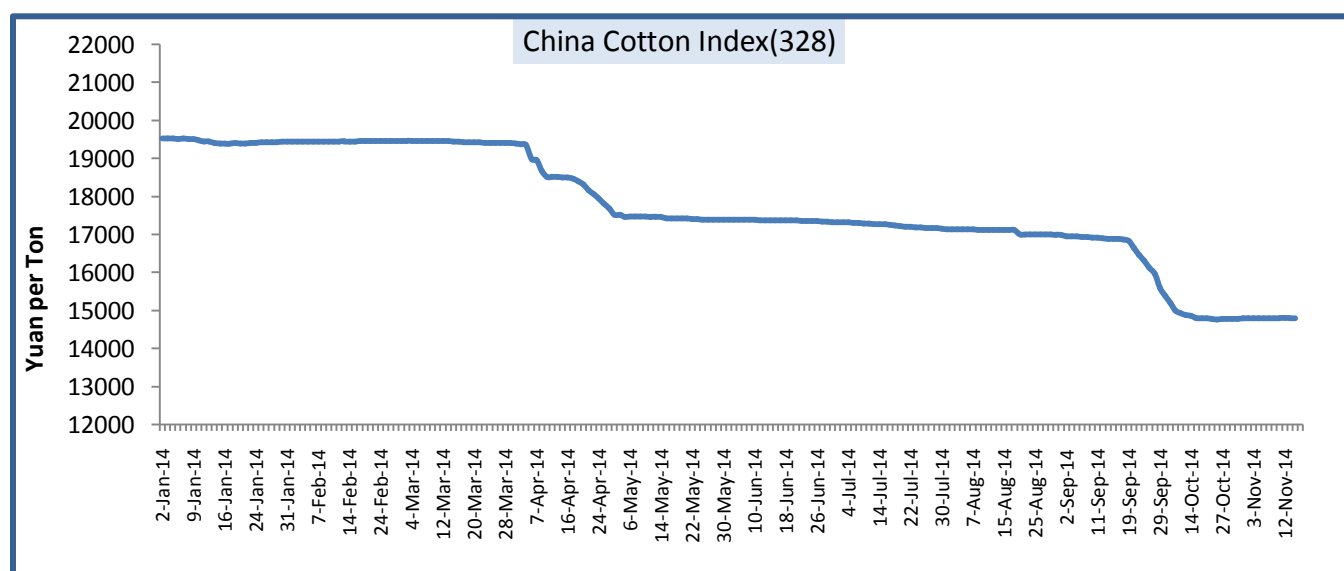
The largest importer of US upland cotton, Turkey has announced the investigation against possible dumping of US cotton in the country. This is the third dispute over US cotton in recent years and that could lead to instability in trade on global front. Turkey imported around 1.1 million bales of upland cotton from USA, costing around USD 500 million.



International Prices and Indices

China Cotton Index:

CC Indices	14-Nov-14	7-Nov-14	% Change
CC Index(229)	15310	15317	-0.05
CC Index(328)	14786	14795	-0.06
CC Index(527)	13673	13687	-0.10
Prices in Yuan per Ton			

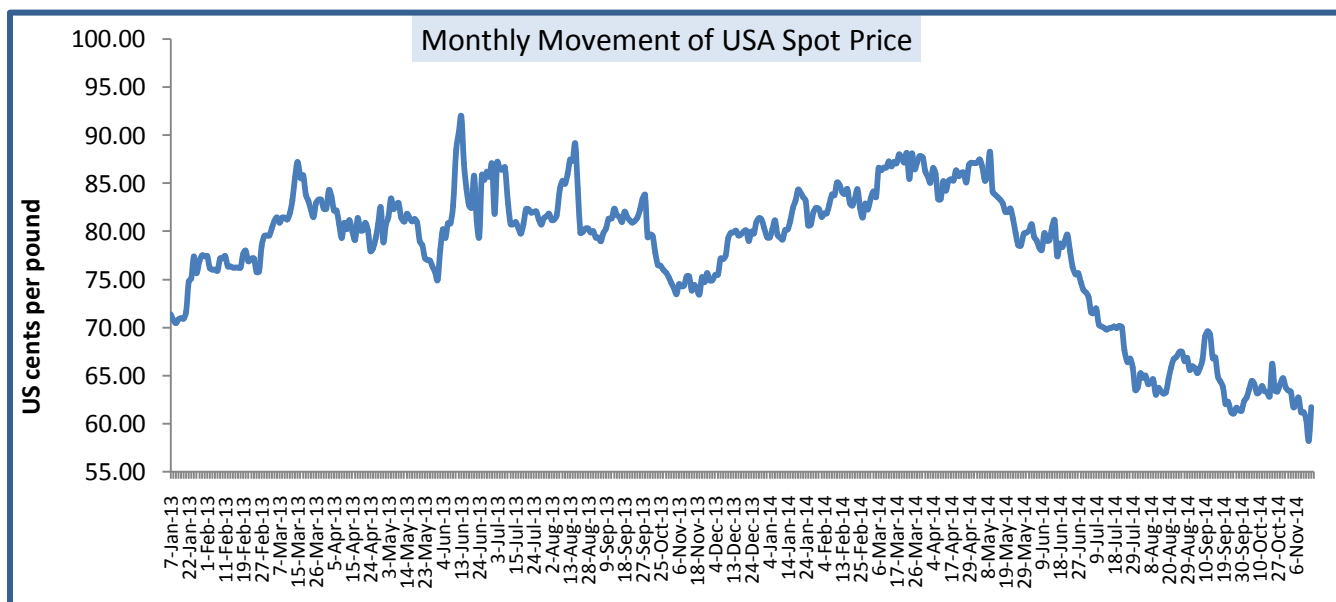


Cotlook A Index:

Date	14-Nov-14	7-Nov-14	% Change
Prices	66	69.2	-4.62
Prices in US cents per Pound			

USA Spot Prices:

Date	14-Nov-14	7-Nov-14	% Change
Prices	61.76	62.76	-1.59
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	14-Nov-2014	07-Nov-2014	14-Nov-2013	%W-o-W change	%Y-o-Y change
Oct-14	59.80	63.96	76.26	-6.50	-21.58
Dec-14	59.63	62.61	--	-4.76	--
Mar-15	60.66	63.57	--	-4.58	--
May-15	61.58	64.33	--	-4.27	--
Jul-15	63.02	65.78	--	-4.20	--
Oct-15	63.98	66.31	--	-3.51	--

Figures in US cents per pound

Cotton Futures

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



Weekly Technical Outlook:

- Candlesticks denote bearish movement during the week.
- RSI is showing range bound movement in neutral region.
- MACD is depicting bearish signal line and centerline cross over.
- Prices closed below the 9 and 18 days EMA.
- We expect cotton prices to remain range bound with weak biasness.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range Bound to Weak	775-805

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
770	765	815	825

Figures in Rs. per 20Kgs.

Technical Analysis of Cotton Future (Mar'15 Contract) at ICE

Weekly Technical Outlook:

- Candlesticks denote bearish movement during the week.
- Weak prices and increasing V&OI depict strong weakness in the market.
- We expect prices to remain weak in the coming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Bearish Momentum	56.60-62.20

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
56.00	55.40	64.00	64.60

Figures in US cents per pound

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