

Current Market Outlook

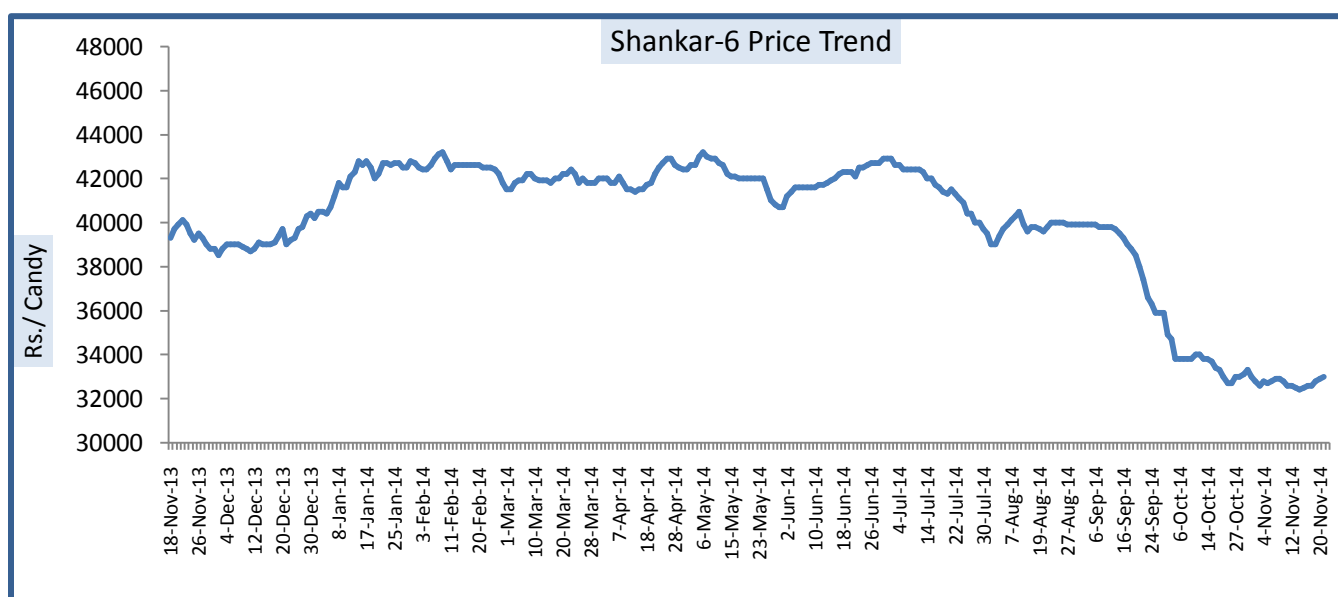
The major cotton producing nations including India, China and Pakistan are worried about the crashing of cotton prices. Prices of cotton in these countries have fallen by around 25-30%. As the situation is hurting cotton growers, these countries have started taking steps to rescue the falling prices either by market intervention or by presenting subsidies to the farmers.

The Government of India has given the approval for Rs. 653 crores to the state government of Maharashtra to rescue the drought hit farmers in the state and to handle the other losses occurred. Around 19,069 villages out of 39,134 have been hit badly due to drought.

The revised duty drawback rates, announced by the Union Government have brought delight for textile exporters and stakeholder. Additional product categories have been included and the drawback caps have been increased for textile exports, said Cotton Textile Export Promotion. Separate rate have been fixed for cotton yarn above 50s count. The upward revision in the rates will boost the exports and promote the value addition.

Cotton consumption of India in marketing year (Oct 2013-sept 14) is estimated 6% higher at 291.28 lakh bales, which was 275.34 lakh bales last year, as revealed by data released by Ministry of Textile. The consumption has noticed a rise of 35% in year 2013-14 when compared to the year 2006-07, when the figure was 216.18 lakh bales. Cotton consumption in India is likely to rise to 305 lakh bales this year following the amplified demand from textile mills.

The Textile Minister, Shri Santosh Kumar Gangwar instructed Cotton Corporation of India (CCI) in a meeting to closely supervise and control the cotton prices. He told CCI to set up additional procurement centers wherever required and to ensure the hassle free, direct payment to farmers' bank account as foreseen in Pradhan Mantri Jan Dhan Yojana. He also expressed the need of escalation in exports of cotton and exploration of new export destinations.



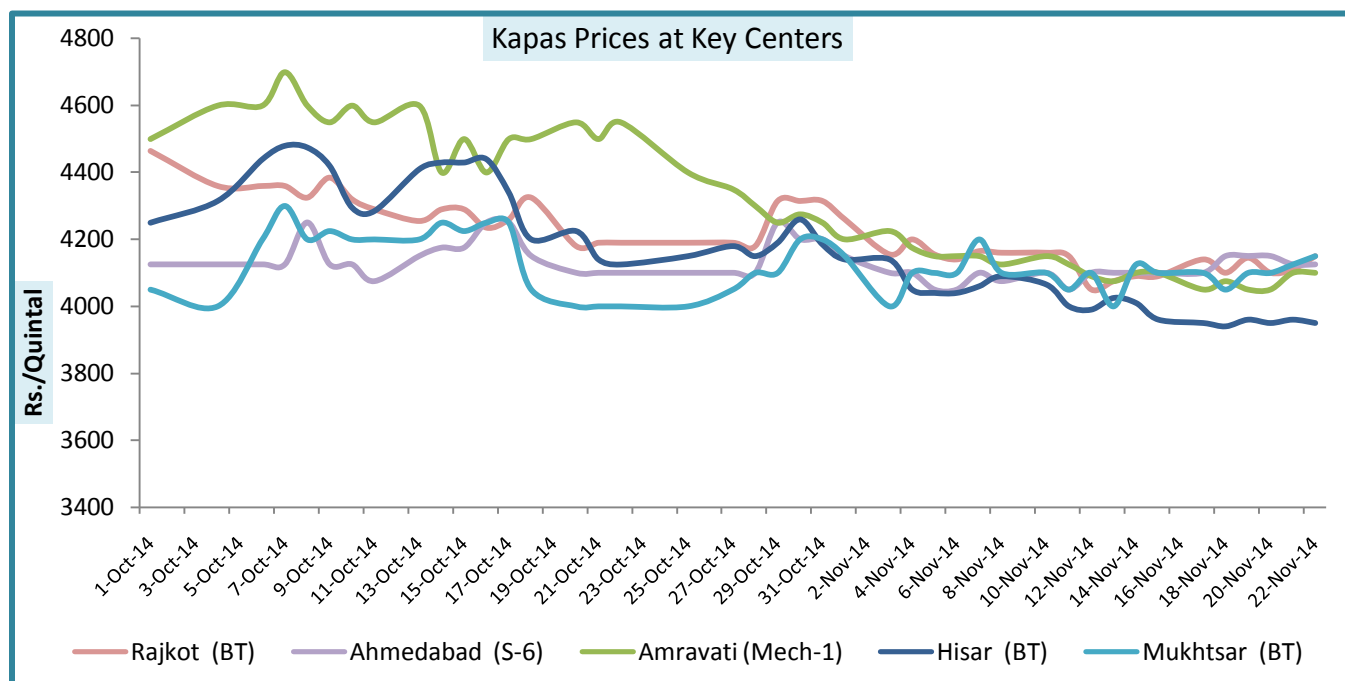
Cotton Prices and Arrivals

Cotton Prices at Key Spot Centers:

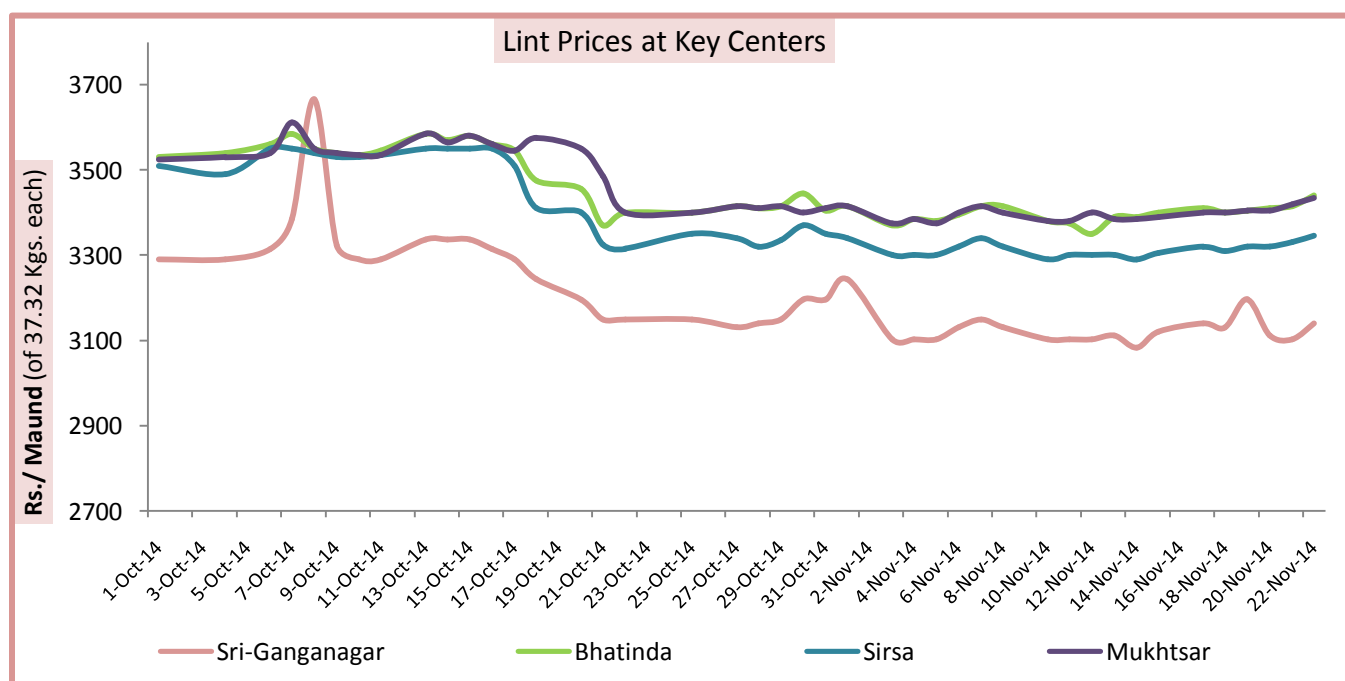
Centre	Variety	Weekly Average Prices		Change
		As on 21 Nov 2014	As on 14 Nov 2014	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4070	4110	-40
Khandwa	Mech-1	NR	4065	-
Khargaon	Mech-1	NR	4065	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4175	4155	20
Rajkot	B.T. Cotton	4120	4115	5
Patan	B.T. Cotton	4160	4115	45
Deesa	B.T. Cotton	3935	3955	-20
Muktsar	B.T. Cotton	4095	4080	15
Fazilika	B.T. Cotton	4015	4005	10
Bhiwani	B.T. Cotton	4035	4015	20
Adampur	B.T. Cotton	3950	4010	-60
Fatehabad	B.T. Cotton	3990	4040	-50
Dabwali	B.T. Cotton	3975	3950	25
Jind	B.T. Cotton	4040	4095	-55
Uchana (Jind)	B.T. Cotton	3965	4030	-65
Rawatsar (Hanumangarh)	B.T. Cotton	3945	3970	-25
Hubli	B.T. Cotton	4090	4160	-70
Hathras	B.T. Cotton(US)	3725	3520	205
	Kapas			
Ahmedabad	Shankar-6	4130	4090	40
Gondal	Shankar-6	4100	4090	10
	Kapas			
Hathras	Desi	4575	4500	75
Bijapur	Bunny	4050	4330	-280
Hubli	D.C.H.	4750	4670	80
Raichur	H-44 Cotton	4060	4090	-30
Guntur	Un-Ginned	4050	4050	Unch
Kurnool	Un-Ginned	4250	4250	Unch
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4575	4500	75
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	3405	3390	15
Muktsar	J-34	3403	3390	13
Fazilika	J-34	3410	3370	40
Bhatinda	J-34	3405	3385	20
Mansa	J-34	3400	3390	10

Sirsa	J-34	3320	3300	20
Sri-Ganganagar	J-34	3135	3105	30
Hanumangarh	B.T. Cotton	3970	3970	Unch

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

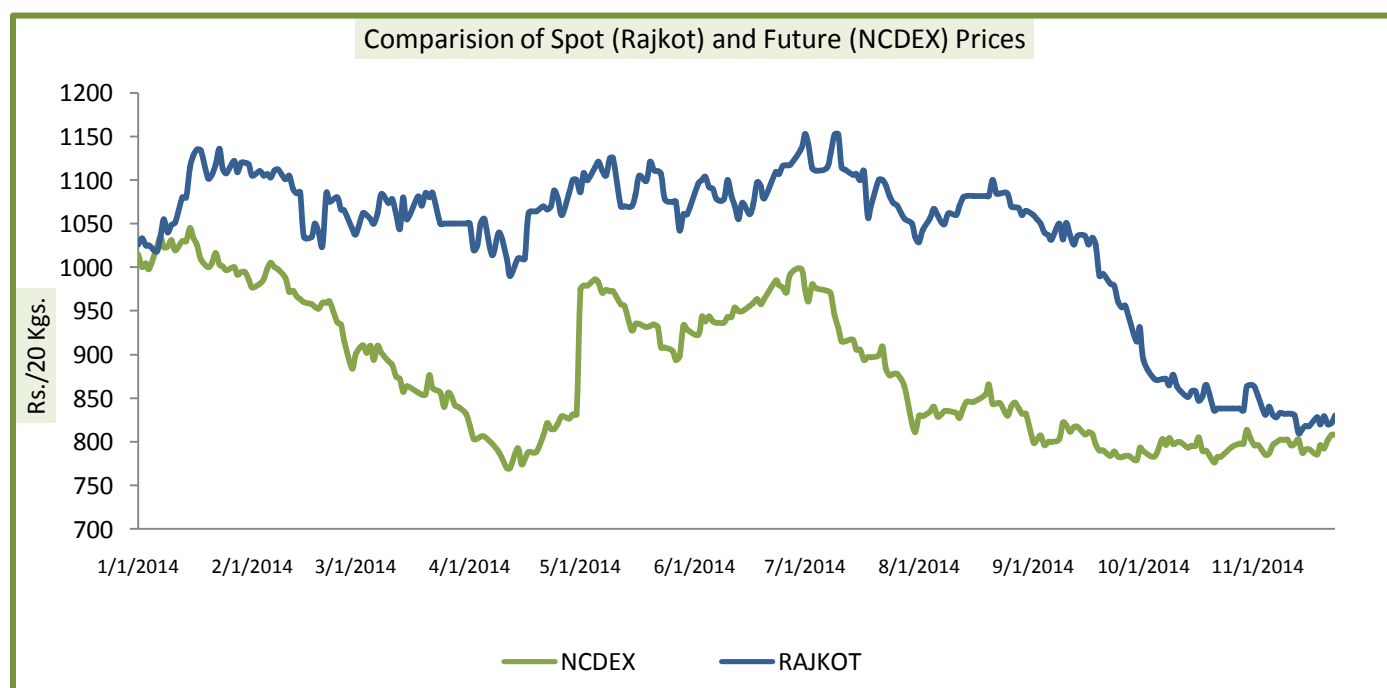


Average Prices of Lint at Various Centers:



Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				14th TO 20th Aug 14	7th TO 13th Aug 14	
Bengal Deshi (RG)/Assam Comilla (101)	<22mm	5.0 - 7.0	15	32785	34915	-2130
Bengal Deshi (SG)(201)	<22mm	5.0 - 7.0	15	33285	35515	-2230
J-34(202)	26mm	3.5 - 4.9	23	30935	31000	-65
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31850	31985	-135
Shankar-6(105)	29mm	3.5 - 4.9	28	32635	32715	-80
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33615	33900	-285
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34365	34685	-320
DCH-32(107)	34mm	3.0 - 3.8	33	43000	43315	-315

Movement of Prices at Spot and Future Market:


Cotton Arrivals in Key Centers:

Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		15th TO 21th Aug 14	8th TO 14th Aug 14	
Amravati	Mech-1	2300	1950	350
Khandwa	Mech-1	NR	3500	-
Khargaone	Mech-1	NR	42000	-
Mahesana(Kadi)	B.T. Cotton	120000	175000	-55000
Rajkot	B.T. Cotton	17736	22300	-4564
Patan	B.T. Cotton	143478	162725	-19247
Deesa	B.T. Cotton	8300	7135	1165
Fazilika	B.T. Cotton	12500	9500	3000
Muktsar	B.T. Cotton	2975	2805	170
Bhiwani	B.T. Cotton	20500	29000	-8500
Adampur	B.T. Cotton	6290	6120	170
Fatehabad	B.T. Cotton	10900	9900	1000
Dabwali	B.T. Cotton	10650	6300	4350
Jind	B.T. Cotton	3154	4794	-1640
Uchana (Jind)	B.T. Cotton	12820	11530	1290
Rawatsar (Hanumangarh)	B.T. Cotton	5600	6400	-800
Hubli	B.T. Cotton	806	918	-112
Hathras	B.T. Cotton(US)	200	237	-37
Ahmedabad	Shankar-6	221000	238000	-17000
Gondal	Shankar-6	9898	12877	-2979
Hathras	Desi	950	1500	-550
Bijapur	Bunny	8620	7161	1459
Hubli	D.C.H.	244	194	50
Raichur	H-44 Cotton	15244	15498	-254
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	17	8	9
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	10200	11220	-1020
Bhatinda	J-34	226950	214200	12750
Mansa	J-34	8500	6205	2295
Sirsa	J-34	13430	11560	1870
Sri-Ganganagar	J-34	39950	37400	2550
Hanumangarh	B.T. Cotton	10000	17500	-7500

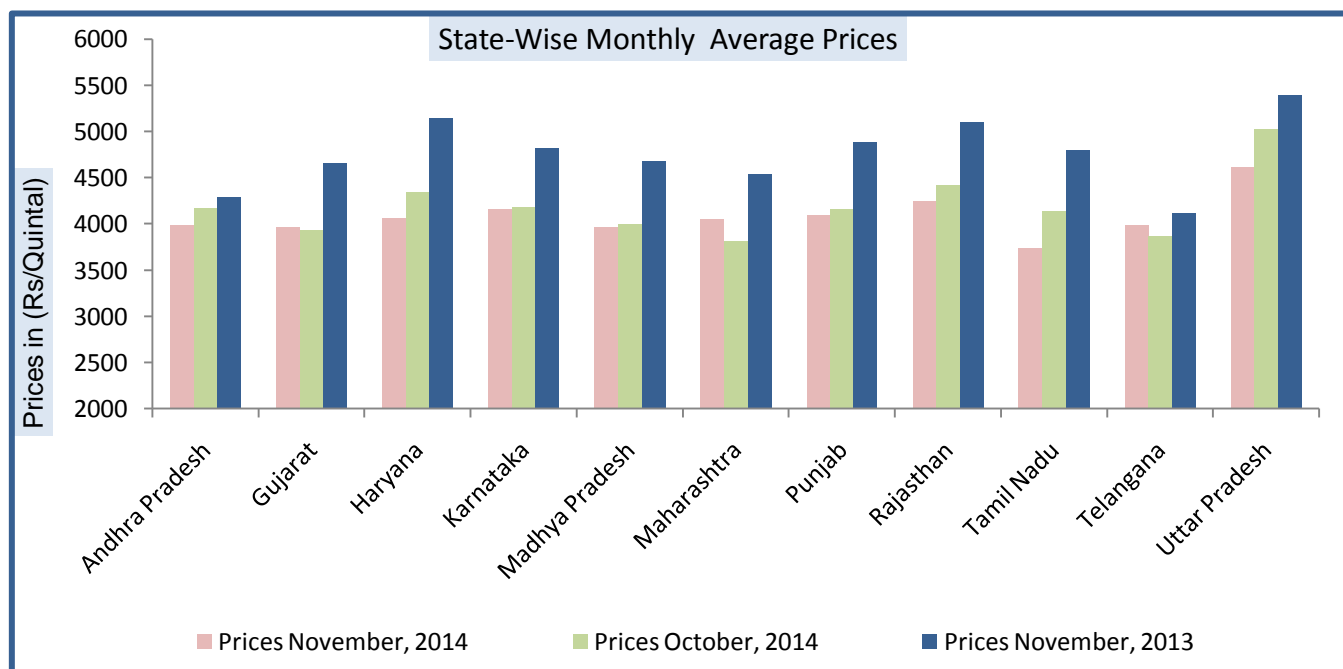
State wise Scenario

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	3985.42	4172.03	4281.29	-4.47	-6.91
Gujarat	3958.43	3934.11	4654.95	0.62	-14.96
Haryana	4064.86	4338.31	5144.33	-6.3	-20.98
Karnataka	4152.23	4177.88	4815.38	-0.61	-13.77
Madhya Pradesh	3963.77	3996.78	4673.34	-0.83	-15.18
Maharashtra	4049.47	3809.69	4541.23	6.29	-10.83
Punjab	4095.9	4151.44	4877.22	-1.34	-16.02
Rajasthan	4248.91	4413.84	5098.95	-3.74	-16.67
Tamil Nadu	3740.12	4131.93	4796.42	-9.48	-22.02
Telangana	3979.59	3863.15	4115.08	3.01	-3.29
Uttar Pradesh	4618.28	5023.33	5392.86	-8.06	-14.36
Average	4077.91	5490.54	4710.5		

*Source: Agmarknet

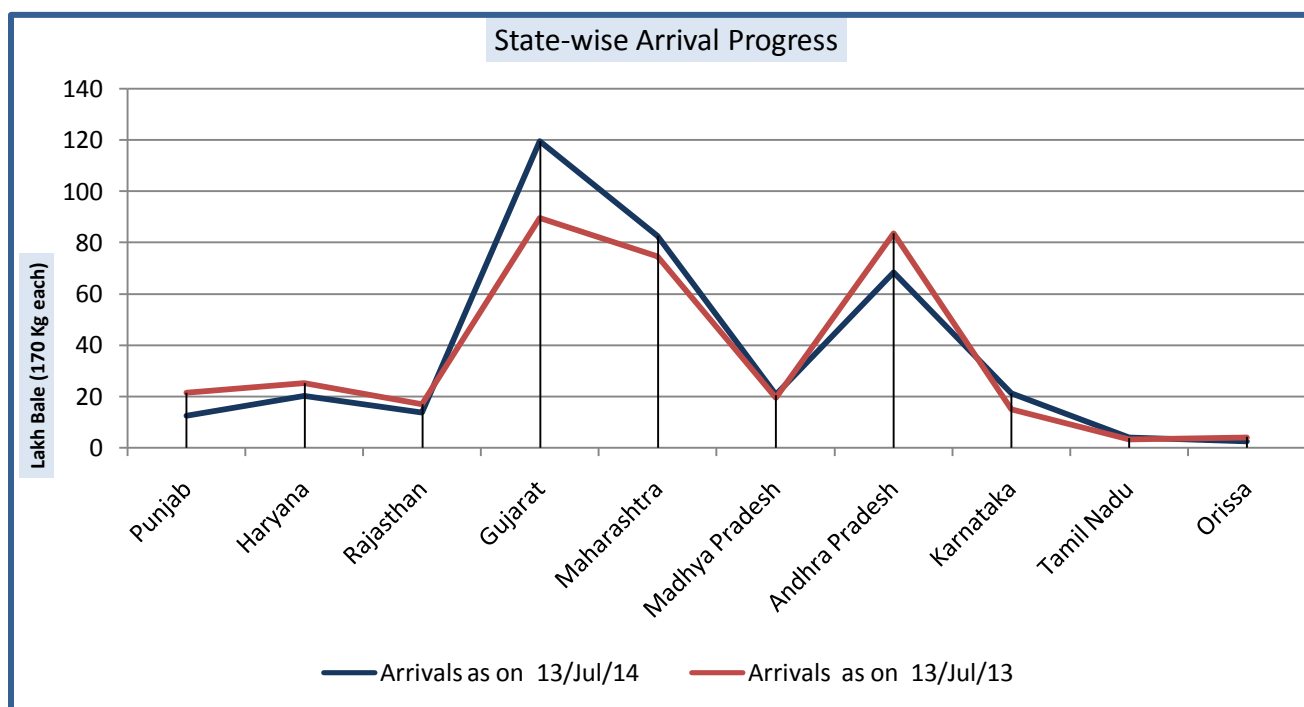
Cotton prices are showing downtrend on Y-o-Y basis in all the major cotton marketing centers. On M-o-M basis also, prices are showing downtrend except Gujarat, Maharashtra and Telangana. Currently highest prices are being noticed in Uttar Pradesh, Rajasthan and Karnataka.



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

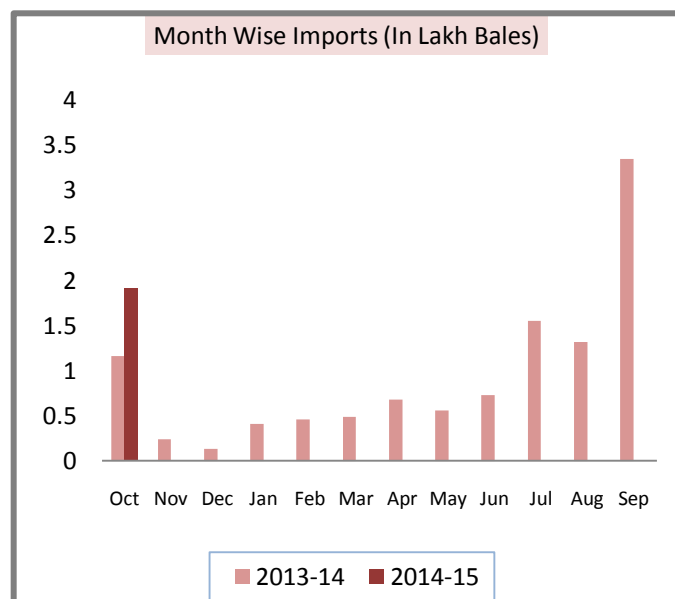
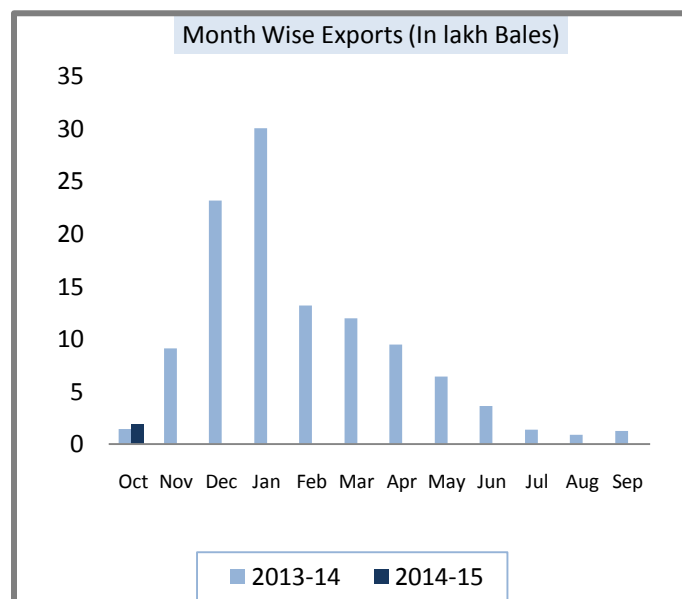
* Inclusive of new crop arrivals in September 2013
**Source : Cotton Corporation of India (CCI)



Cotton Export and Import

Cotton Exports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.43	1.81
Nov	9.06	
Dec	23.12	
Jan	30	
Feb	13.15	
Mar	11.9	
Apr	9.46	
May	6.37	
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
Total	111.5	1.8

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



Weekly Export Import Data

Date	10-16 Nov 2014	03-09 Nov 2014
Export (In lakh Bales)	1.51	0.78
Import (In lakh Bales)	0.32	0.28

Source: IBIS

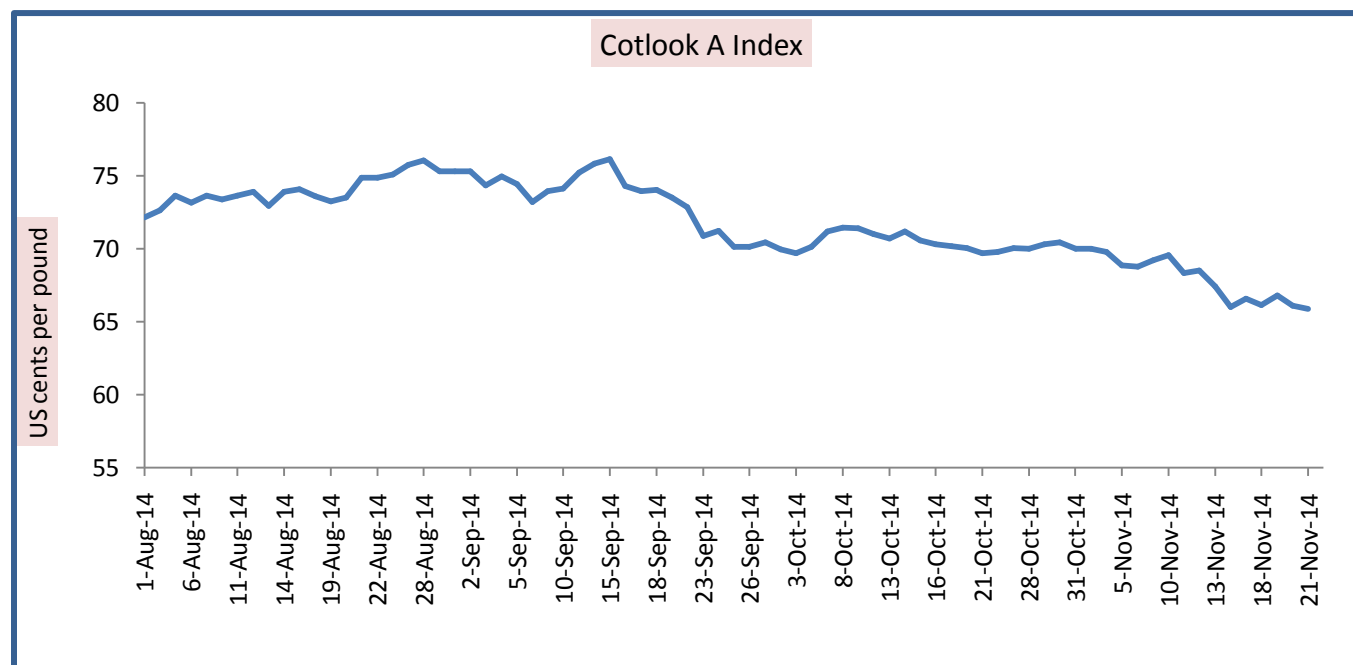
International Market Scenario

China monthly cotton imports hits its five year low in October this year. The country has imported 81,900 tonnes of cotton in the October month, 42% lower when compared to same month last year. Also, for the first time, monthly import of the fiber fell below the level of 100,000 tonnes since October 2010. Besides the delayed harvest in major exporting nations including India and USA, the restriction on subsidized imports has lowered the import. China limits the low tariff import up to 2.3 million tonnes this year which was 4.2 million tonnes previous year.

According to the latest report released by USDA, as on November 16, 2014, 69% of cotton has been harvested as compared to 62% last week. The same was 66% last year and 74% as five year average.

The major cotton producing nations including India, China and Pakistan are worried about the crashing of cotton prices. Prices of cotton in these countries have fallen by around 25-30%.As the situation is hurting cotton growers, these countries have started taking steps to rescue the falling prices either by market intervention or by presenting subsidies to the farmers.

Cotton Future for March delivery on Intercontinental Exchange (ICE) dropped and touched the level of 58.75 US cents a pound in early November, 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.

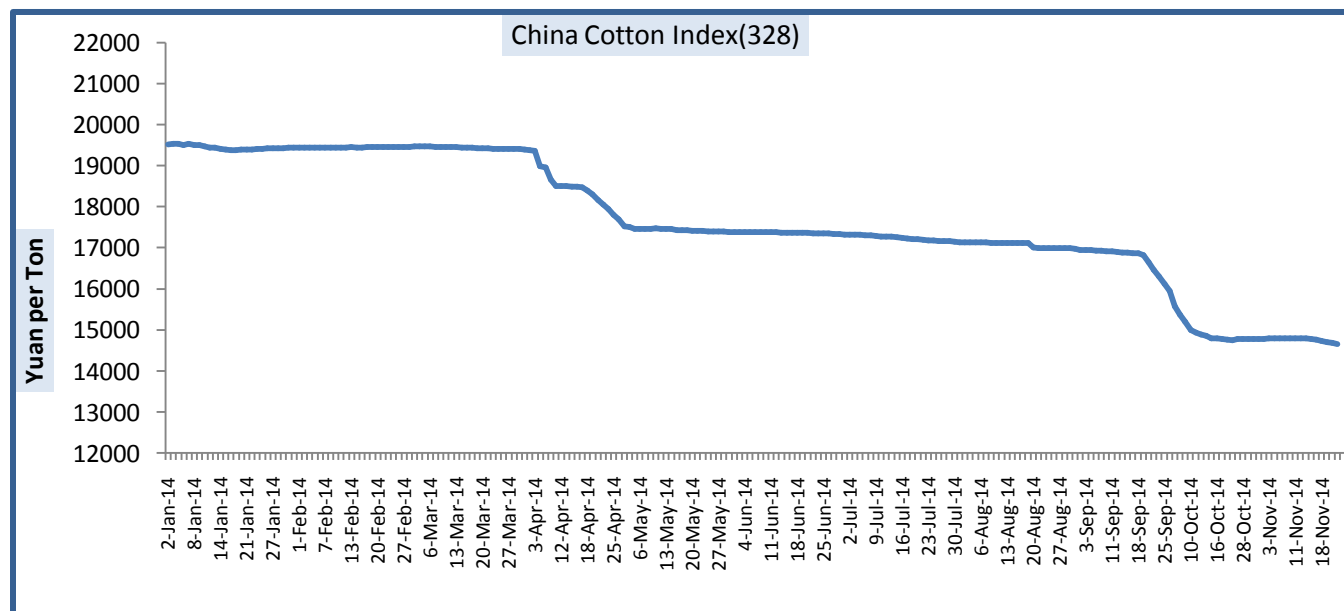


International Prices and Indices

China Cotton Index:

CC Indices	21-Nov-14	14-Nov-14	% Change
CC Index(229)	15166	15310	-0.94
CC Index(328)	14651	14786	-0.91
CC Index(527)	13597	13673	-0.56

Prices in Yuan per Ton



Cotlook A Index:

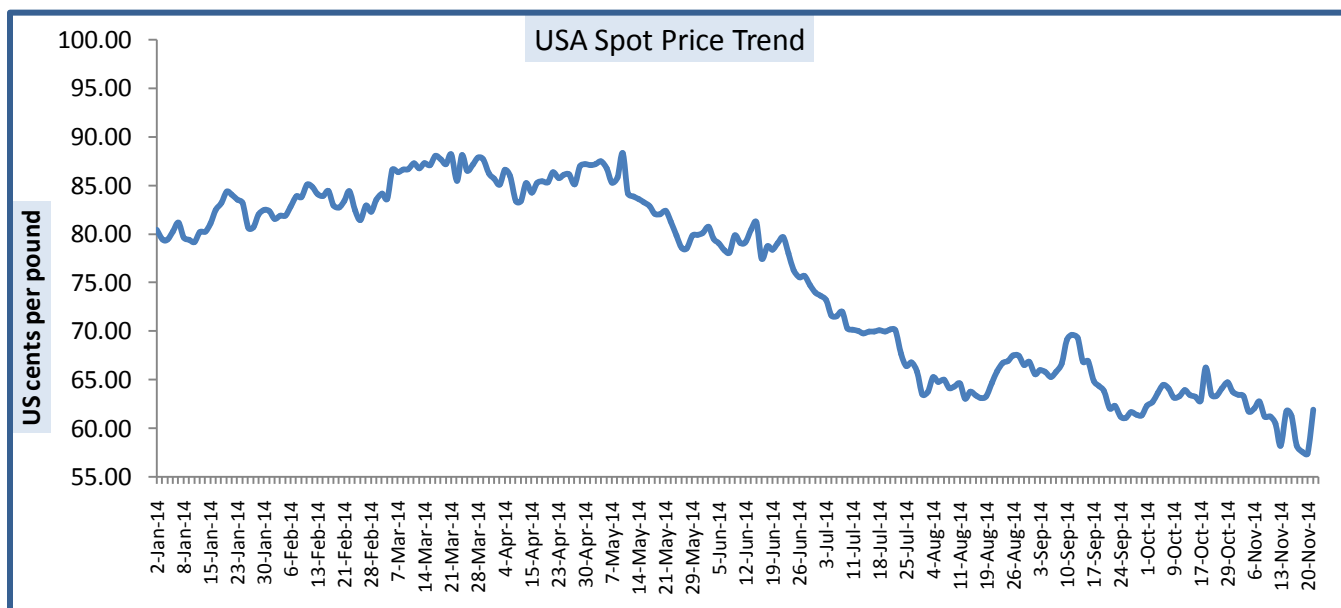
Date	21-Nov-14	14-Nov-14	% Change
Prices	65.9	66	-0.15

Prices in US cents per Pound

USA Spot Prices:

Date	21-Nov-14	14-Nov-14	% Change
Prices	59.29	60.58	-2.13

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	21-Nov-2014	14-Nov-2014	21-Nov-2013	%W-o-W change	%Y-o-Y change
Oct-14	59.76	59.80	76.26	-0.07	-21.64
Dec-14	59.52	59.63	--	-0.18	--
Mar-15	60.45	60.66	--	-0.35	--
May-15	61.41	61.58	--	-0.28	--
Jul-15	62.93	63.02	--	-0.14	--
Oct-15	63.83	63.98	--	-0.23	--

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 showing range bound movement in neutral region.
- MACD is depicting bullish signal line and centerline cross over.
- Prices closed above the 9 and 18 days EMA.
- We expect cotton prices to remain range bound.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range Bound	795-820

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
785	770	840	855

Figures in Rs. per 20Kgs.

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

Weekly Technical Outlook:

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

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range Bound	58-60.40

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
57.60	57.00	61.50	62.60

Figures in US cents per pound

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