

### Current Market Outlook

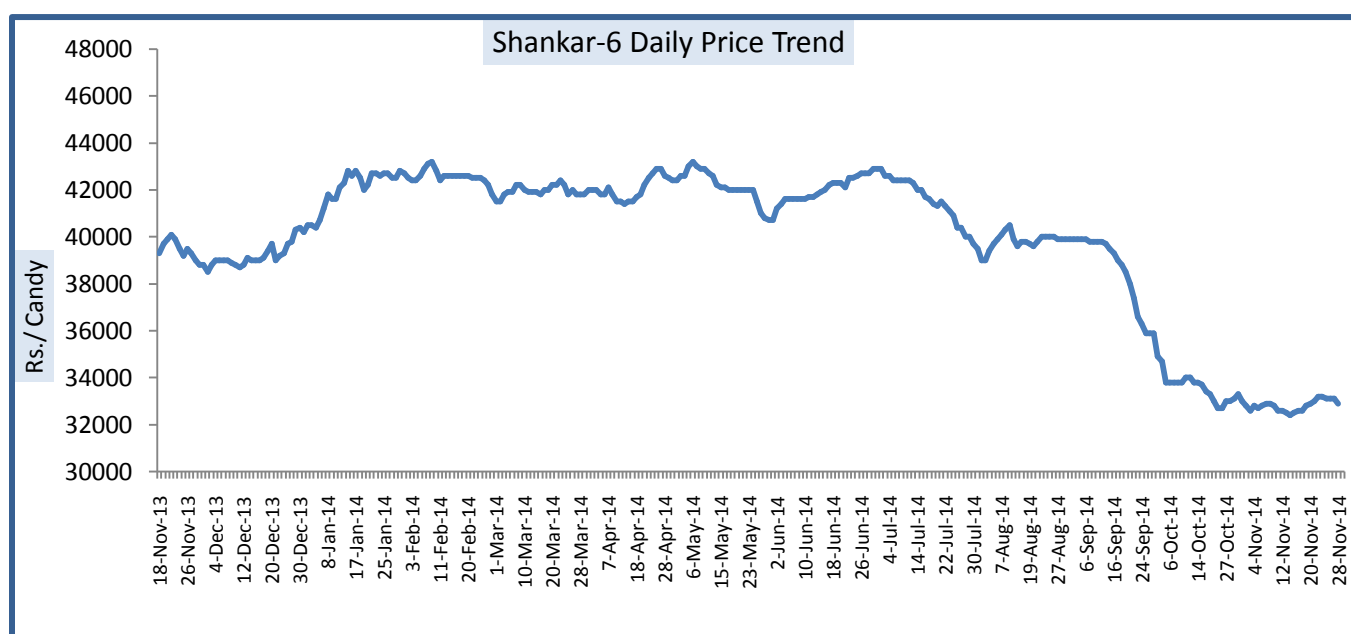
**Cotton exports from India are likely to fall by 45% this season from major importers China and Bangladesh.** During the current season 2014-15, India is likely to export 6.5 to 7 million bales (of 170 kg. each) of cotton, which was 11.8 million bales last year, said Cotton Advisory Board (CAB).

**Output of cotton in India is expected to be around 40.55 million bales in season 2014-15, 14.22% higher** than the previous year's production of 35.5 million bales, said cotton association of India (CAI). Not only production, acreage, yield, consumption and export have also noticed a rise in last previous years. Acreage of cotton reported 12.65 million hectares 10.28 % higher when compared to the previous year's area. India has great potential in textile export, which is keeping the market prospects higher for cotton in the country.

**Cotton Corporation of India (CCI) has planned to procure sixty lakh bales of cotton this season (Oct'14-Sept'15)** at the outlay of 12000 crore. Around 8 lakh bales of cotton have been procured by CCI in Andhra Pradesh and Telangana so far. CCI has tied up with the consortium of 14 banks, led by Bank of Baroda in order to carry out the procurement related transactions.

**The share of India is getting wider in apparel export to USA. On the lesser price competitiveness of China and Bangladesh, India has nurtured its market share in apparel exports to USA.** India exported 745 million square meters equivalent (msme) to USA, during January to September this year, 7.5% higher when compared to the corresponding period last year.

**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.



### Domestic Balance Sheet

Item	2013-14*	2014-15*
<b>Supply</b>		
Opening stock	40	32
Crop size	398	400
Imports	10.8	7
Availability	448.8	439
<b>Demand</b>		
Mill consumption	266	275
Small Mill consumption	24.88	26
Non-Mill consumption	8	10
Total consumption	298.88	311
Export	117.92	90
<b>Total Demand</b>	<b>416.8</b>	<b>401</b>

All figures in Lakh Bales (of 170 Kgs. Each)

\*Source: Cotton Corporation of India (CCI)

#### BALANCE SHEET HIGHLIGHTS:

Despite the higher production, total availability would be on lower side slightly due to the lower opening stocks and lesser imports anticipated.

Total consumption during the season is expected higher on increased demand of yarn from overseas and amplified textile and garments exports anticipated for the current season.

Export of cotton (raw) would be on lower side due to the fall in demand from China, the largest importer of cotton.

Rise in the total consumption would not impact demand positively as the fall in exports would lead to the deficit in total demand.

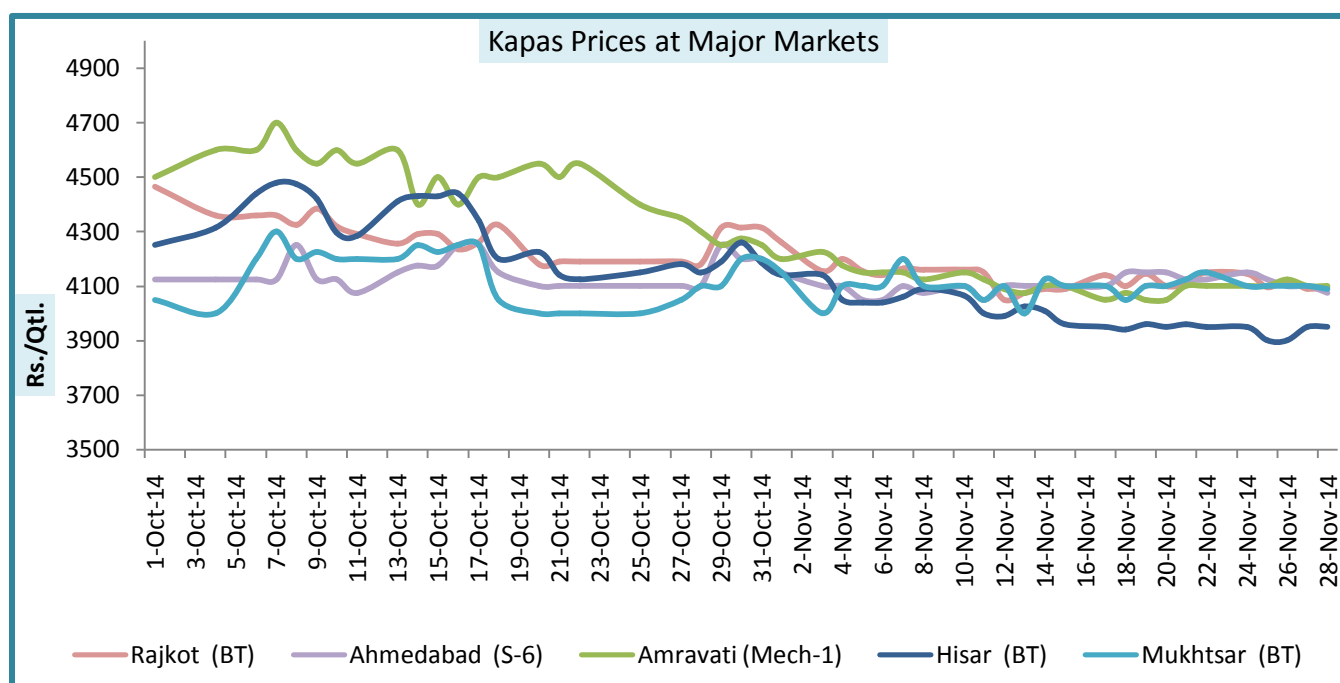
### Cotton Prices and Arrivals

#### Cotton Prices at Key Spot Centers:

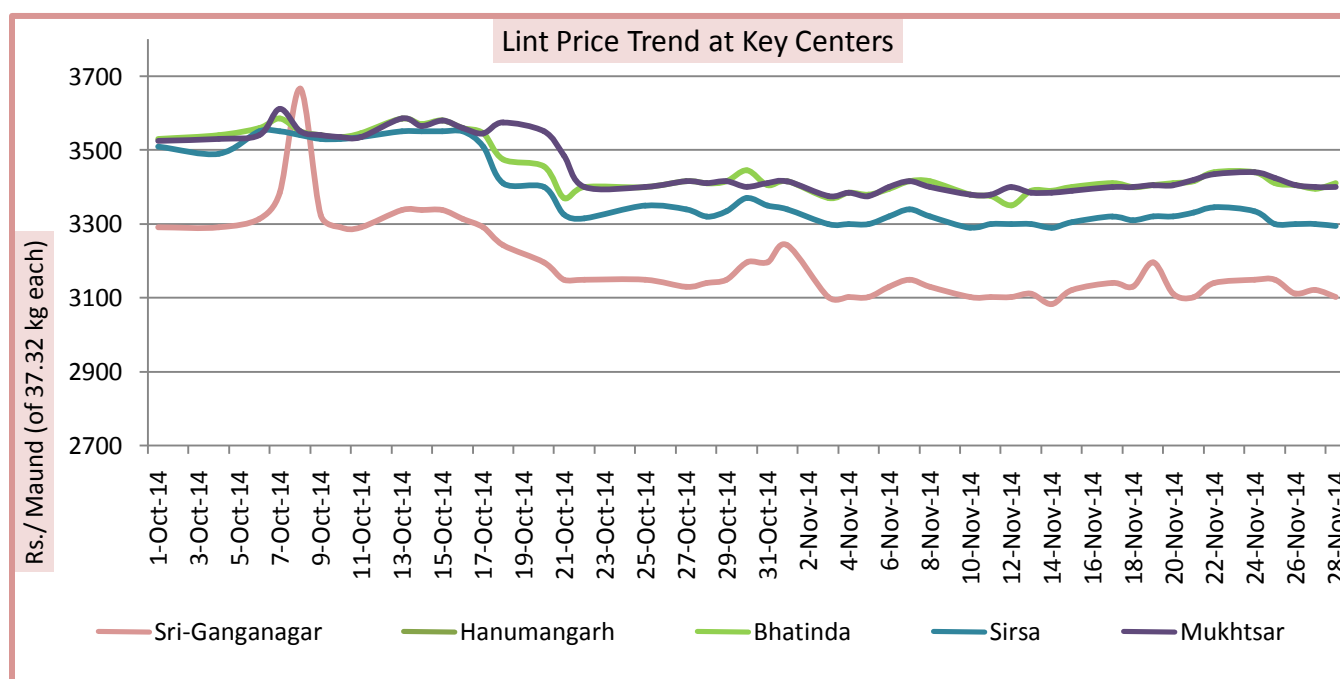
Centre	Variety	Weekly Average Prices		Change
		22th TO 28th Nov 14	15th TO 21th nov 14	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4105	4070	35
Khandwa	Mech-1	4050	NR	-
Khargaon	Mech-1	4050	NR	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4265	4175	90
Rajkot	B.T. Cotton	4115	4120	-5
Patan	B.T. Cotton	4170	4160	10
Deesa	B.T. Cotton	3985	3935	50
Muktsar	B.T. Cotton	4110	4095	15
Fazilika	B.T. Cotton	4050	4015	35
Bhiwani	B.T. Cotton	3955	4035	-80
Adampur	B.T. Cotton	3935	3950	-15
Fatehabad	B.T. Cotton	3960	3990	-30
Dabwali	B.T. Cotton	3965	3975	-10
Jind	B.T. Cotton	3995	4040	-45
Uchana (Jind)	B.T. Cotton	3920	3965	-45
Rawatsar (Hanumangarh)	B.T. Cotton	3935	3945	-10
Hubli	B.T. Cotton	4215	4090	125
Hathras	B.T. Cotton(US)	3700	3725	-25
Hanumangarh	B.T. Cotton	4005	3970	35
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4115	4130	-15
Gondal	Shankar-6	4155	4100	55
	<b>Kapas</b>			
Hathras	Desi	4800	4575	225
Bijapur	Bunny	4350	4050	300
Hubli	D.C.H.	5020	4750	270
Raichur	H-44 Cotton	4180	4060	120
Guntur	Un-Ginned	4050	4050	0
Kurnool	Un-Ginned	NA	4250	#VALUE!
Krishna	Un-Ginned	4050	4050	0
East Godavari	Un-Ginned	4000	4575	-575
	<b>Lint</b>	<b>(Rs./Maund of 37.32kg each)</b>		
Abohar	J-34	3415	3405	10
Muktsar	J-34	3420	3405	15
Fazilika	J-34	3415	3410	5

Bhatinda	J-34	3415	3405	10
Mansa	J-34	3410	3400	10
Sirsa	J-34	3315	3320	-5
Sri-Ganganagar	J-34	3125	3135	-10

### Price Trend of Kapas (Seed Cotton) at Key Centers:



### Price Trend of Lint at Various Centers:

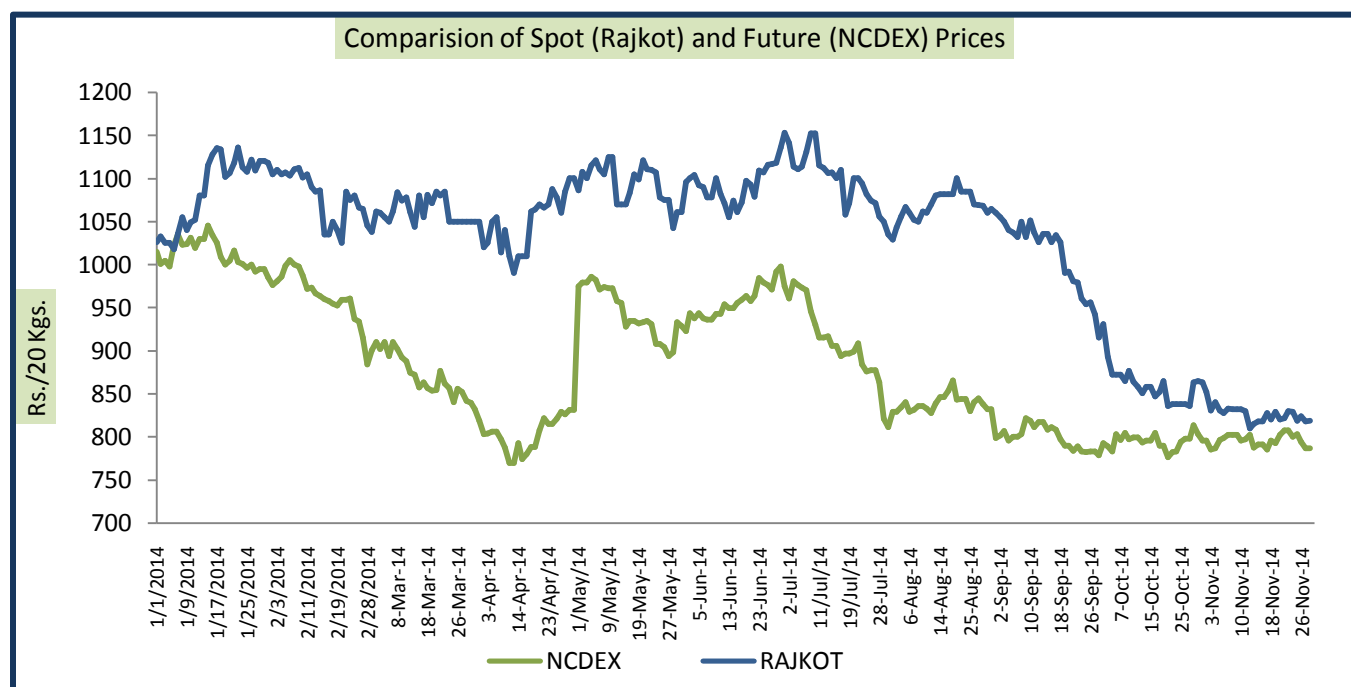


### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength / GPT	Weekly Average Prices		Change
				As on 28 Nov 2014	As on 21 Nov 2014	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	33935	32785	1150
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	34435	33285	1150
J-34(202)	26mm	3.5 - 4.9	23	31135	30935	200
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	32300	31850	450
Shankar-6(105)	29mm	3.5 – 4.9	28	33100	32635	465
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	33615	385
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34735	34365	370
DCH-32(107)	34mm	3.0 - 3.8	33	43270	43000	270

*Figures in Rs./ Candy*

### Price Movement at Spot and Future Market:



**Cotton Arrivals at Key Centers:**

Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		22th TO 28th Nov 14	15th TO 21th Nov 14	
Amravati	Mech-1	3725	2300	1425
Khandwa	Mech-1	5700	NR	-
Khargaone	Mech-1	37000	NR	-
Mahesana(Kadi)	B.T. Cotton	240000	120000	120000
Rajkot	B.T. Cotton	24375	17736	6639
Patan	B.T. Cotton	121124	143478	-22354
Deesa	B.T. Cotton	16875	8300	8575
Fazilika	B.T. Cotton	10900	12500	-1600
Muktsar	B.T. Cotton	2805	2975	-170
Bhiwani	B.T. Cotton	26000	20500	5500
Adampur	B.T. Cotton	10710	6290	4420
Fatehabad	B.T. Cotton	12000	10900	1100
Dabwali	B.T. Cotton	12200	10650	1550
Jind	B.T. Cotton	7225	3154	4071
Uchana (Jind)	B.T. Cotton	17020	12820	4200
Rawatsar (Hanumangarh)	B.T. Cotton	3200	5600	-2400
Hubli	B.T. Cotton	656	806	-150
Hathras	B.T. Cotton(US)	355	200	155
Hanumangarh	B.T. Cotton	35700	10000	25700
Ahmedabad	Shankar-6	265200	221000	44200
Gondal	Shankar-6	16560	9898	6662
Hathras	Desi	500	950	-450
Bijapur	Bunny	13593	8620	4973
Hubli	D.C.H.	476	244	232
Raichur	H-44 Cotton	13579	15244	-1665
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	17	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	7480	10200	-2720
Bhatinda	J-34	273700	226950	46750
Mansa	J-34	12283	8500	3783
Sirsa	J-34	21250	13430	7820
Sri-Ganganagar	J-34	35700	39950	-4250

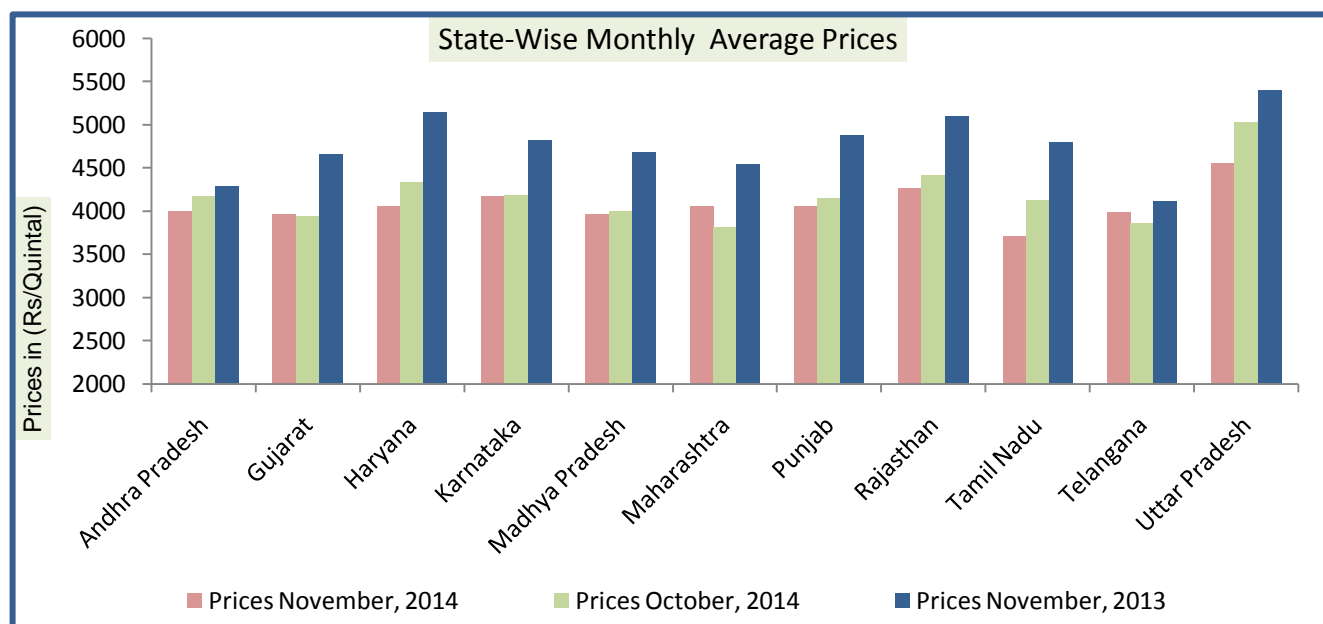
### State wise Scenario

#### 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	3995.62	4172.03	4281.29	-4.23	-6.67
Gujarat	3963.47	3933.93	4654.95	0.75	-14.85
Haryana	4061.03	4338.31	5144.33	-6.39	-21.06
Karnataka	4169.9	4177.88	4815.38	-0.19	-13.4
Madhya Pradesh	3968.16	3996.78	4673.34	-0.72	-15.09
Maharashtra	4052.41	3809.69	4541.23	6.37	-10.76
Punjab	4059.8	4151.44	4877.22	-2.21	-16.76
Rajasthan	4264.14	4413.84	5098.95	-3.39	-16.37
Tamil Nadu	3703.58	4131.93	4796.42	-10.37	-22.78
Telangana	3989.15	3863.15	4115.08	3.26	-3.06
Uttar Pradesh	4553.22	5023.33	5392.86	-9.36	-15.57
Average	4070.95	5490.52	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.

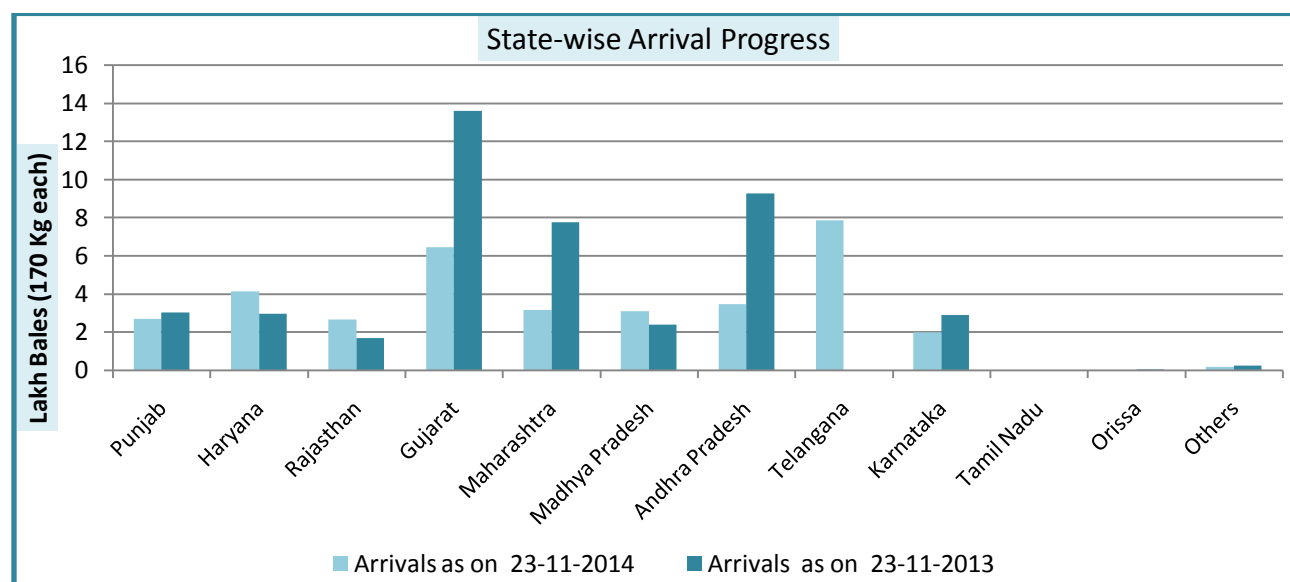


**State wise Arrivals (in lakh bales of 170 kgs each):**

Table given below showing cotton production and estimated arrivals during 2014-15 season vis-a-vis cotton season 2013-14:

States	2014-15*		2013-14	
	Production as per CAB	Arrivals As on	Production as per CAB	Arrivals As on
	13-10-2014	23-11-2014	02-07-2014	23-11-2013
1. Punjab	14	2.69	21	3.03
2. Haryana	25	4.12	23	2.94
3. Rajasthan	17	2.67	14	1.67
North Total	56	9.48	58	7.64
4. Gujarat	125	6.44	120	13.61
5. Maharashtra	85	3.16	84	7.77
6. Madhya Pradesh	18	3.08	19	2.4
Central Total	228	12.68	223	23.78
7. Andhra Pradesh	50	3.46	76	9.27
8. Telangana	27	7.87	--	--
9. Karnataka	28	1.98	22	2.9
10. Tamil Nadu	5	0	5	0
South Total	110	13.31	103	12.17
11. Orissa	4	0	4	0.03
12. Others	2	0.18	2	0.23
Total	6	0.18	6	0.26
Grand Total	400	35.65	390	43.85

\* Inclusive of new crop arrivals in September 2014  
\*\* Quantity in lakh bales (of 170 kgs. each)

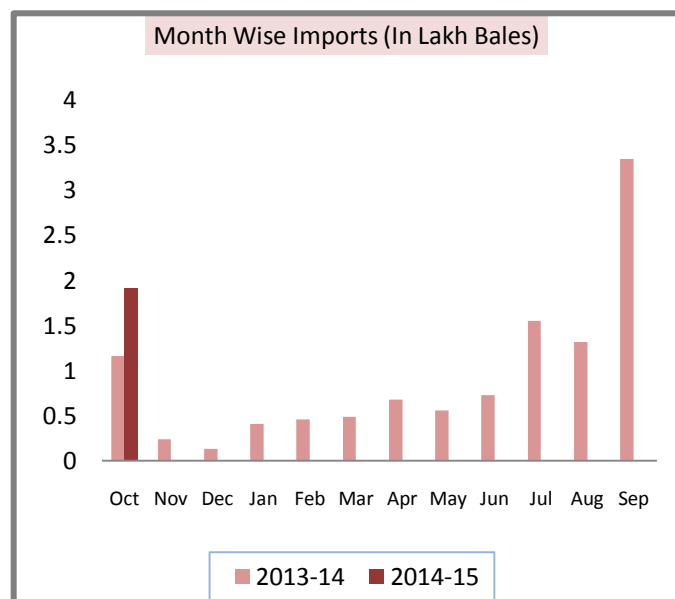
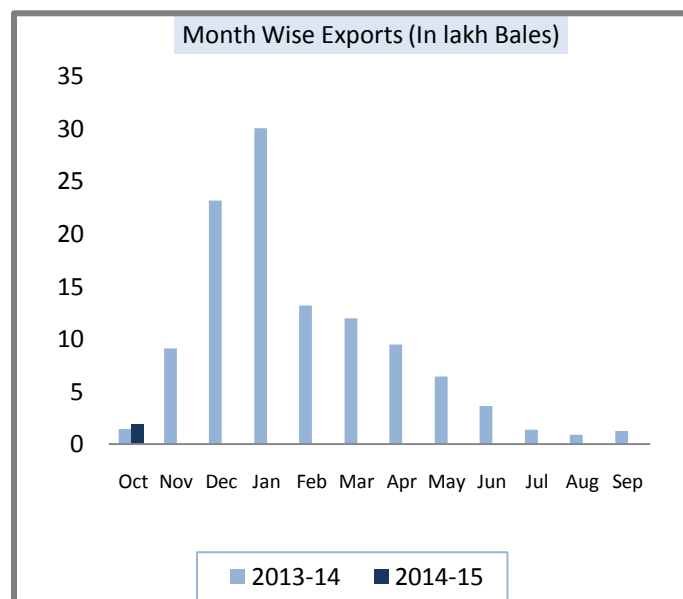




### Cotton Export and Import

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	
<b>Total</b>	<b>111.5</b>	<b>1.8</b>

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	
<b>Total</b>	<b>11.07</b>	<b>1.91</b>



### Weekly Export Import Data

Date	17-23 Nov 2014	10-16 Nov 2014
Export (In lakh Bales)	2.26	1.51
Import (In lakh Bales)	0.26	0.32

Source: IBIS

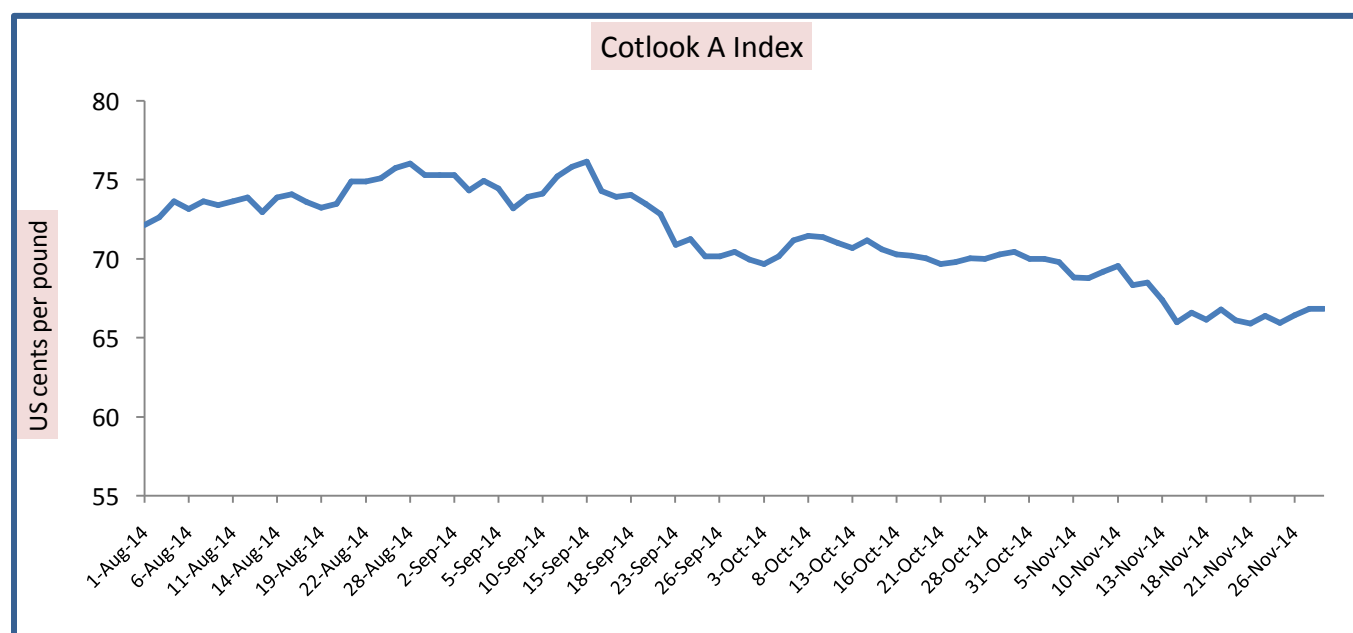
## International Market Scenario

**The drastic fall in cotton prices to a five year low could force the farmers worldwide to switch** for the other crops, according to International Cotton Advisory Committee (ICAC). Cotton at ICE for March 2015 delivery has touched the level of 58.53 cents per pound in late November, which is lowest since September 2009.

**The International Cotton Advisory Committee (ICAC) launched World Cotton Calendar**, which contained the huge database maintained by ICAC. The World Cotton Calendar is the source of data related to cotton production field operation, including the crop cycle; varieties planted in particular region, insect and pest vulnerability, weed invasion, type and quantity of fertilizer applied and disease from around 37 countries.

**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.

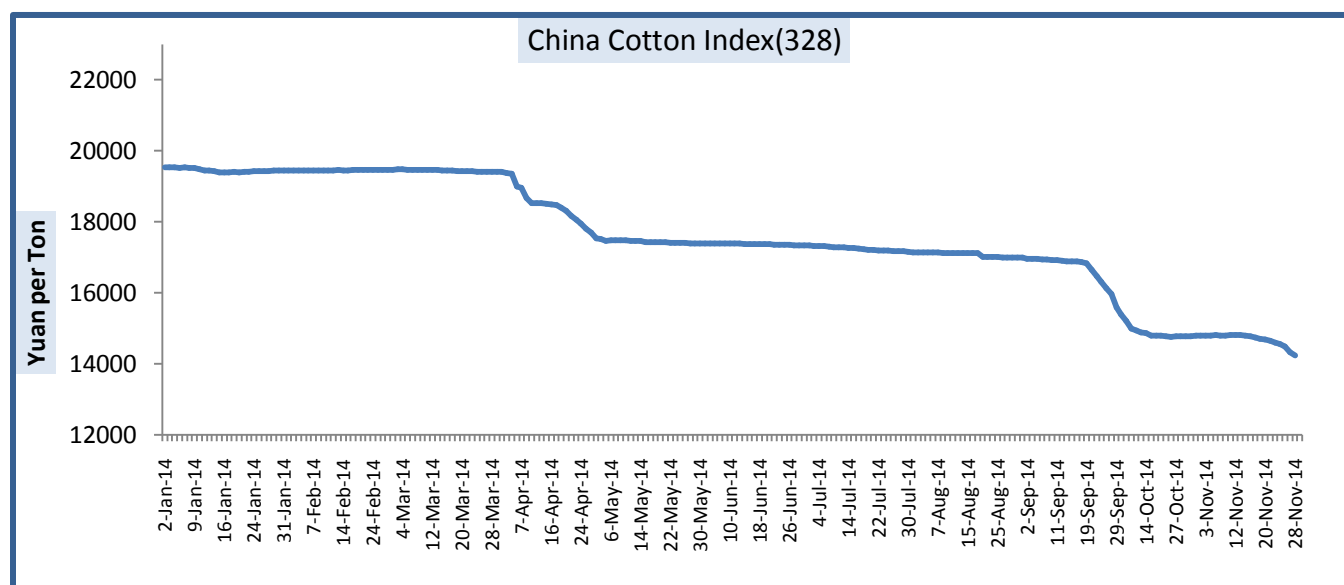
**China monthly cotton imports hits its five year low in October this year.** The country has imported 81,900 tonnes of cotton in the October month, 42% lower when compared to same month last year. Also, for the first time, monthly import of the fiber fell below the level of 100,000 tonnes since October 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.



### International Prices and Indices

#### China Cotton Index:

CC Indices	Weekly Average Price as on	Weekly Average Price as on	% Change
	28-Nov-14	21-Nov-14	
CC Index(229)	14436.8	14709.4	-1.85
CC Index(328)	13413.8	13633.8	-1.61
CC Index(527)	15004.6	15231.6	-1.49
Prices in Yuan per Ton			

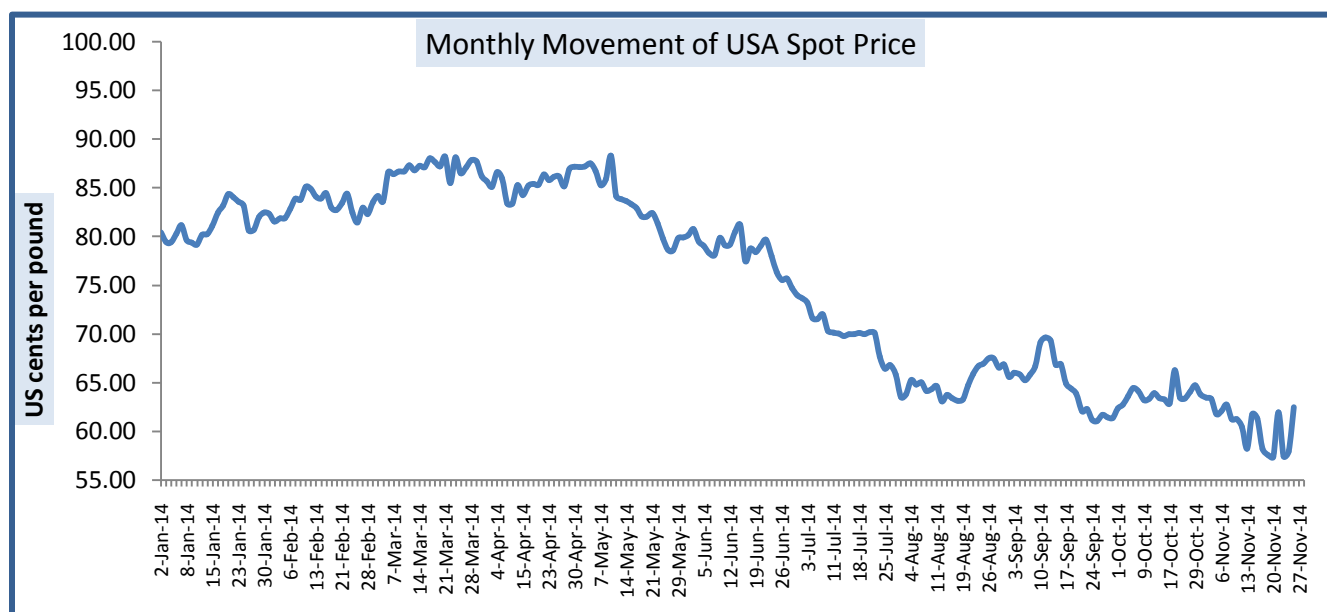


#### Cotlook A Index:

Cotlook A Index	Weekly Average Price as on	Weekly Average Price as on	% Change
	28-Nov-14	21-Nov-14	
Prices	66.5	66.31	0.29
Prices in US cents per Pound			

#### USA Spot Prices:

USA Spot Prices	Prices as on	Prices as on	% Change
	26-Nov-14	21-Nov-14	
Prices	62.47	61.96	0.82
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	28-Nov-2014	21-Nov-2014	28-Nov-2013	%W-o-W change	%Y-o-Y change
<b>Oct-14</b>	61.41	59.76	76.14	2.76	-19.35
<b>Dec-14</b>	60.03	59.63	--	0.67	--
<b>Mar-15</b>	60.83	60.66	--	0.28	--
<b>May-15</b>	61.73	61.58	--	0.24	--
<b>Jul-15</b>	63.26	63.02	--	0.38	--
<b>Oct-15</b>	64.23	63.98	--	0.39	--

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 weak momentum 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 weak.

### Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
<b>Bearish Momentum</b>	<b>795-775</b>

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
<b>770</b>	<b>765</b>	<b>805</b>	<b>815</b>

Figures in Rs. per 20Kgs.

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

**Weekly Technical Outlook:**

- Candlesticks denote bullish movement during the week.
- Firm price and declining volume and open interest depicts weakness.
- We expect prices to remain the coming days.

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
<b>Bearish Momentum</b>	<b>61-58</b>

**Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2
<b>57.40</b>	<b>57.00</b>	<b>63.00</b>	<b>64.60</b>

Figures in US cents per pound

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