

Domestic Market

- Cotton prices notice slight rise in prices amid demand for cotton yarn and rising arrivals.
 - Traders are expecting demand from Southeast Asia that could compensate for Chinese demand
 - Currently, mills are primary buyers, while export demand is very limited. In this condition, price may remain at the current level.
 - Cotton traded higher in on good expected demand ahead of USDA report.
 - Spinners and exporters are active in the market.
 - Export enquiries are reported from China at 85 cents per pound and Bangladesh at 87-88 cents per pound.
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- **Weekly Outlook:** Buying from millers are expected normal and prices likely to rise as demand from export is expected to rise.

International Market

- Bangladesh is inking a deal with India to procure 15 lakh bales every year.
- Pakistan has lost \$1 billion exports orders by textile industry due to shortage of power, which is 30-40 percent of exports. This has given Indian companies a window to rise in export orders. In December 100 million kg was exported.
- Net upland sales of 93,600 bales for 2012-13 marketing year were 29 percent down. Mainly exported to Turkey, Taiwan, and Vietnam.

Cotton Prices at Key Spot Markets:

Commodity	Centre & Variety	% Change Over Previous Week	Current Week 08/2/2013	Previous Week 01/2/2013
Cotton	Amravati-Vunni Mech-1#	Unch	4050	4050
	Kadi-Bt Cotton#	1%	4225	4200
	Ahmedabad-Shankar-6#	Unch	4350	4350
	Gondal	Unch	4285	4300
	Rajkot-(Bt Cotton)	-1%	4285	4325
	Abohar-J-34*	2%	3720	3660
	Muktsar-J-34*	2%	3730	3660
	Fajlika#	1%	3660	3630
	Khandwa M.P.	-1%	4080	4120
	Sri-Ganganagar	4%	3650	3525

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Weekly Arrival		% Change
	Current Week 08/02/2013	Previous Week 01/02/2013	
Amravati -Vunni Mech-1	16500	15000	10%
Kadi -Bt Cotton	285000	240000	19%
Ahmedabad - Shankar-6	263000	250000	5%
Gondal	8662	11421	-24%
Rajkot-(Bt Cotton)	23960	22410	7%
Abohar J-34*	2300	4600	-50%
Muktsar J-34*	-	-	-
Fajlika	8800	10000	-12%
Khandwa M.P.	20000	21500	-7%
Sri-Ganganagar	23000	31000	-26%

(Amravatai, Fajlika = Quintal,) (Kadi- Motors=100 quintals,) (Ahmadabad, Abohar and Muktsar-Bales)

Cotton Association of India Spot Rates

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (07/02/2013)	Rs. Per Candy (31/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33600	33700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34000	34200	-1%
J-34(202)	26mm	3.5 - 4.9	23	33600	33600	Unch
H-4/ MECH- 1(105)	28mm	3.5 - 4.9	27	33300	33500	-1%
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	34100	-1%
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34800	34700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35600	35600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45000	1%

Fundamental Cotton Price Outlook for Coming Week

We expect cotton prices to witness sideways to bearish tone in the coming days amid expected rise in arrivals. Downside could be limited amid increasing demand in the near –term.

Technical Analysis of Cotton Futures April 2013 contract at NCDEX

Rs/20 kgs

- April contract in NCDEX, denotes selling interest in the market.
- Decreasing volumes will add to the weak tone of the market.
- Prices are moving range bound and breached strong support of Rs. 875
- Immediate support could be seen at 870 touching such level price could slide further to 860.
- Our short term outlook on the contract is sideways to bearish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
860	875	930	935

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	910-860	Sideways to Bearish Momentum

Future Trend in International Markets

ICE Cotton Futures (March 2013 Contract) Technical Analysis



March 2013 Contract of ICE futures closed on up side. Prices ranged between 84.40 to 78.94 during the week. Immediate resistance level is at 85 breaching this may touch 87 levels during upcoming week.

Support 2	Support 1	Resistance 1	Resistance 2
77.30	78.40	84.41	85.51

All in cents/pound

Source: MRCI

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