

Domestic Market

- Cotton prices notice slight rise in prices amid demand for cotton yarn and rising arrivals.
 - China cotton is at 140 cn/lb where as India is providing at 82 cn/lb.
 - Millers want CCI commercial buying to stop as it is hurting the yarn industry.
 - Millers want MSP to be untouched. As any increase is going to cause losses.
 - China is buying yarn majorly, as raw cotton imports have been made 40% increase on import duty. Vietnam, Indonesia and Bangladesh are buying raw cotton from India to meet the incoming demand from China.
 - 58.2 % of the production has arrived in the markets. Total arrivals reported are around 190 lakh bales thus far from the estimated 327 lakh bales production for the season.
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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

- USA cotton acreage are going to be 27 percent less than last sowing year, as sowing season has begun. Farmers have shifted to more cash dividend crop like soybean and corn. This might fuel prices in last quarter of this year.
- USA exports fell by 29 percent from previous week due to Chinese Lunar year celebration which is week long holiday. 11 percent of the shipments were cancelled.
- China will be releasing cotton import quota of 682,000 tonnes under the tariff rate quota and Indian cotton could get a sizeable chunk of it.

Cotton Prices at Key Spot Markets:



Commodity	Centre & Variety	% Change Over Previous Week	Current Week 15/2/2013	Previous Week 08/2/2013
Cotton	Amravati-Vunni Mech-1#	1%	4100	4050
	Kadi-Bt Cotton#	2%	4300	4225
	Ahmedabad-Shankar-6#	1%	4375	4350
	Gondal	Unch	4280	4285
	Rajkot-(Bt Cotton)	1%	4330	4285
	Abohar-J-34*	3%	3830	3720
	Muktsar-J-34*	3%	3850	3730
	Fajlika#	4%	3800	3660
	Khandwa M.P.	Unch	4100	4080
	Sri-Ganganagar	3%	3750	3650

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Weekly Arrival		% Change
	Current Week 15/02/2013	Previous Week 08/02/2013	
Amravati -Vunni Mech-1	13500	16500	-18%
Kadi -Bt Cotton	230000	285000	-19%
Ahmedabad - Shankar-6	3000	263000	-99%
Gondal	6913	8662	-20%
Rajkot-(Bt Cotton)	20030	23960	-16%
Abohar J-34*	3000	2300	30%
Muktsar J-34*	-	-	-
Fajlika	7800	8800	-11%
Khandwa M.P.	6300	20000	-69%
Sri-Ganganagar	25000	23000	9%

(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 (14/02/2013)	Rs. Per Candy (07/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33600	0%
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34700	34000	2%
J-34(202)	26mm	3.5 - 4.9	23	34800	33600	4%
H-4/ MECH- 1(105)	28mm	3.5 - 4.9	27	33900	33300	2%
Shankar-6(105)	29mm	3.5 - 4.9	28	34400	33900	1%
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35100	34800	1%
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35900	35600	1%
DCH-32(107)	34mm	3.0 - 3.8	33	45800	45500	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

- Decreasing volumes will add to the weak tone of the market.
- Prices are moving range bound and breached strong resistance of Rs. 915
- Immediate resistance could be seen at 920 touching such level price could slide further to 930.
- Our short term outlook on the contract is sideways to bearish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
860	870	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	910-930	Sideways to Bullish Momentum

Future Trend in International Markets

Future Trend in International Markets; 15 Feb 2013 to 22 Feb 2013

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 support level is at 80.50 breaching this may touch 78 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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