

### Domestic Market

- Inter ministerial committee have decided to keep cotton export policy unchanged under current circumstances where arrivals are falling with increasing prices and good export demand.
- Arrivals of 225 lakh bales have already reached markets.
- Cotton prices are shooting up as farmers are holding crop, millers and ginnerers are buying in last leg of the season. Earlier millers were waiting for the prices to come down that resulted in less buying of stocks.
- Strong demand is expected to arrive in the as Chinese import quota are announced officially.
- 65% of the production has arrived in the markets.

**Weekly Outlook:** Buying from millers are expected high and prices likely to rise as demand from export and millers are expected to rise.

### International Market

- Chinese, cotton import source, US, India, Australia, Brazil and Uzbekistan were the top five in 2012.
- 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.
- 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.

**Cotton Prices at Key Spot Markets:**

Commodity	Centre & Variety	% Change Over Previous Week	Current Week 22/2/2013	Previous Week 15/2/2013
<b>Cotton</b>	Amravati–Vunni Mech-1#	6%	4350	4100
	Kadi–Bt Cotton#	6%	4550	4300
	Ahmedabad–Shankar-6#	5%	4600	4375
	Gondal	11%	4735	4280
	Rajkot-(Bt Cotton)	9%	4700	4330
	Abohar–J-34*	4%	3970	3830
	Muktsar–J-34*	3%	3970	3850
	Fajlika#	29%	4900	3800
	Khandwa M.P.	-5%	3900	4100
	Sri-Ganganagar	4%	3890	3750

\*-Rs/maund, #-Rs.qtl

**Cotton Arrivals in Key Centers**

Centre	Weekly Arrival		% Change
	Current Week 22/02/2013	Previous Week 15/02/2013	
Amravati –Vunni Mech-1	20500	13500	52%
Kadi –Bt Cotton	160000	230000	-30%
Ahmedabad – Shankar-6	155000	245000	-37%
Gondal	3657	6913	-47%
Rajkot-(Bt Cotton)	14550	20030	-27%
Abohar J-34*	1300	3000	-57%
Muktsar J-34*	800	-	-
Fajlika	3750	7800	-52%
Khandwa M.P.	17000	6300	170%
Sri-Ganganagar	14000	25000	-44%

(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 (21/02/2013)	Rs. Per Candy (14/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34100	33700	1%
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	34700	1%
J-34(202)	26mm	3.5 - 4.9	23	36300	34800	4%
H-4/ MECH- 1(105)	28mm	3.5 - 4.9	27	34600	33900	2%
Shankar-6(105)	29mm	3.5 - 4.9	28	35900	34400	4%
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35900	35100	2%
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37200	35900	4%
DCH-32(107)	34mm	3.0 - 3.8	33	46800	45800	2%

**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. 960
- Immediate resistance could be seen at 975 touching such level price could slide further to 950.
- Our short term outlook on the contract is sideways to bullish.

**Support and Resistance:**

Support 2	Support 1	Resistance 1	Resistance 2
860	870	975	980

**Expected Price range of Cotton Prices for next week**

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	950-980	Sideways to Bullish Momentum

## Future Trend in International Markets

Future Trend in International Markets; 23 Feb 2013 to 2 March 2013

ICE Cotton Futures (March 2013 Contract) Technical Analysis



March 2013 Contract of ICE futures closed on up side. Prices ranged between 83.21 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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