

Domestic Market

- Cotton prices were almost steady on the back of lower export demand. According to market sources, the overall trend is negative and cotton prices may decline this week ended on 30th March 2013.
- Indian import projection may come down after cotton agencies are looking at the ways of selling fiber in open market which are likely to bring down the prices.
- CCI is likely to offload around 4 lakh bales of cotton in domestic market along with NAFED, which could auction 3.63 lakh bales, by first week of April. This move is likely to ease prices in the near -term.

Weekly Outlook: Lower arrivals in market are making prices decline. Low arrivals are not enough to support prices. Prices are likely to decline in coming week.

International Market

- Cotton futures a NYMEX closed amid lack of buying around current levels.
- According to Pakistan agency PCGA, cotton production is likely to down by 11.7 % which are pushing up the prices.
- China imports is likely to rise to 223 lakh bales in 2012-13 as compared to earlier estimated 194 lakh bales, according to USDA. This is likely to lower global ending stocks which makes it likely to have lower global surplus in 2013-14.
- Net Upland sales of 114,100 running bales for the 2012/2013 marketing year were down 39 percent from the previous week and 31 percent from the prior.
- USDA projects global 2013-14 cotton production at 115.5 million bales, down 3% from 2012-13.
- Recent hike in prices of cotton have encourage farmers in USA to sow more area under cotton as compared to project by USDA.
- According to Pakistan agency PCGA, cotton production is likely to down by 11.7 % which are pushing up the prices.

Cotton Prices at Key Spot Markets:

Commodity	Centre & Variety	% Change Over Previous Week	Current Week 29/3/2013	Previous Week 22/3/2013
Cotton	Amravati-Vunni Mech-1#	1.04	4750	4800
	Kadi-Bt Cotton#	1.00	4950	5000
	Abohar-J-34*	-0.24	4200	4190
	Muktsar-J-34 *(Cotton)	Unch	4200	4200
	*(Kapas BT Cotton)	-1.03	4900	4850
	Ahmedabad-Shankar-6#	Unch	5050	5050
	Fajlika *(Cotton New)	0.36	4160	4175
	*(Kapas BT Cotton)	-0.40	4970	4950
	Khandwa-(M.P)	-	-	4850
	Khargaon-(M.P)	-	-	4850
	Gondal	-	-	4905
	Rajkot-(B.T)	-	-	4960
	Sri-Ganganagar	-0.74	4100	4070
	Patan(B.T. Cotton)	-	-	5000

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Weekly Arrival		% Change
	Current Week 29/03/2013	Previous Week 22/03/2013	
Amravati -Vunni Mech-1#	6600	6400	3.13
Kadi -Bt Cotton	450	1000	-55.00
Abohar-J-34*	2160	4300	-49.77
Muktsar-J-34#(Kapas BT Cotton)	975	1950	-50.00
Ahmedabad - Shankar-6#	47000	121000	-61.16
Fajlika#(Kapas BT Cotton)	5500	8500	-35.29
Khandwa (M.P)	-	3900	-
Khargaon-(M.P)	-	18600	-
Gondal	688	5046	-86.37
Rajkot-(B.T)	12000	16950	-29.20
Sri-Ganganagar	32116	107053	-70.00
Patan(B.T. Cotton)	-	32312	-

(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 (28/03/2013)	Rs. Per Candy (21/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35300	35400	-0.3
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36100	36400	-0.8
J-34(202)	26mm	3.5 - 4.9	23	37600	37800	-0.5
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38000	38300	-0.8
Shankar-6(105)	29mm	3.5 - 4.9	28	38500	38700	-0.5
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39800	39900	-0.3
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	49000	48000	2.1

Fundamental Cotton Price Outlook for Coming Week

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

State-Wise Arrivals

As on 24 March 2013

States	2012-13		2011-12*	
	Production as per CAB	Arrivals As on	Production as per CAB	Arrivals As on
	23-01-2013	24-3-2013	23-01-2013	24-3-2012
1. Punjab	19	14.63	18.5	15.53
2. Haryana	24	20.14	26	16.45
3. Rajasthan	16	14.24	17.5	13.97
A. North Total (1+2+3)	59	49.01	62	45.95
4. Gujarat	85	57.52	120	79.03
5. Maharashtra	74	57.89	74	52.3
6. Madhya Pradesh	18	15.28	18	15.15
B. Central Total (4+5+6)	177	130.69	212	146.48
7. Andhra Pradesh	72	53.4	56	42.37
8. Karnataka	12	8.24	14	8.52
9. Tamil Nadu	5	1.75	6.5	3.14
C. South Total (7+8+9)	89	63.39	76.5	54.03
10. Orissa	3	2.54	2.5	1.54
11. Others	2	1.22	2	1.64
D. Total (10+11)	5	3.76	4.5	3.18
Grand Total (A+B+C+D)	330	246.85	355	249.64

* Inclusive of new crop arrivals in September 2012

Source: CCI

State Wise Comparisons (in Rs/Qtl)

State	Prices March, 2013	Prices February, 2013	Prices March, 2012	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	4378.91	3916.61	3636.52	11.8	20.41
Gujarat	4776.4	4258.18	3983.23	12.17	19.91
Haryana	4755.32	4280.31	4005.6	11.1	18.72
Karnataka	4503.99	4139.02	3665.58	8.82	22.87
Madhya Pradesh	4580.39	4131.82	3710.08	10.86	23.46
Maharashtra	4573.3	4052.99	3633.4	12.84	25.87
Orissa	4065.67	3911.3	3357.69	3.95	21.09
Punjab	4806.06	4377.82	4180.09	9.78	14.98
Rajasthan	4752.1	4457.08	4032.12	6.62	17.86
Tamil Nadu	4659.44	4103.95	3762.59	13.54	23.84
Uttar Pradesh	4035.6	3876.48		4.1	—
West Bengal			3600	—	—
Average	4535.2	4136.87	3778.81		

Source: Agmarket

Technical Analysis of Cotton Futures April 2013 contract at NCDEX


- Prices are showing downward movement and breached strong support of Rs. 920

- Immediate support could be seen at 910 touching such level price could slide down to 900.
- Our short term outlook on the contract is sideways to bearish.

Support and Resistance:

Support 2	Support 1	Resistance 1	Resistance 2
900	910	963	970

Expected Price range of Cotton Prices for next week

Markets	Expected Trading Band for the coming week	Expected Trend for coming week
NCDEX	900-940	Sideways to Bearish Momentum

Future Trend in International Markets; 01 April 2013 to 06 April 2013
ICE Cotton Futures (May 2013 Contract) Technical Analysis


March 2013 Contract of ICE futures closed on up side. Prices ranged between 92.27 to 86.54 during the week. Immediate resistance level is at 95.01 breaching this may touch 97 levels during upcoming week.

Support 2	Support 1	Resistance 1	Resistance 2
77.30	78.40	95	97

All in cents/pound

Source: MRCI

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