

## Kapas MCX – Time to Accumulate



Kapas prices have witnessed accumulation phase in every year during Nov-Dec (Since 2006). However, this cycle got disturbed during 2009 as Kapas prices corrected during Nov – Dec 2009 to mid 2010 (Till Rs 594.50). And then, it continued its bullish phase (till Rs 780) till the end of Q3 2010. During Q4 2010 it took a slight correction (till Rs 697) and then it follows the same cycle (of accumulation phase in Nov – Dec). We have seen Kapas prices soar till the all time high of Rs 1260 during Feb – Mar 2011. After that, a correction phase started but it failed to breach the bull rally ( shown by the upward trend line shown in the chart).

As of now, we have seen the Kapas prices are touching / trading near to the long term bullish trend line and prices are expected to rally from here. As per the cycle this is the beginning of Dec month and **we can expect that it is a time to buy and accumulate Kapas from the current levels 850 – 870, targeting 980 and then 1040 with stop loss below 800.**