

There will be no reports and updates on 1st Jan. 2015 as AGRIWATCH will be closed for the occasion of New Year.

Domestic Fundamentals:

Market Outlook: Cotton market noticed mostly weak tone.

In The News: Textile industry demanded that the government should ensure that raw material costs, costs of converting raw material to finished goods as well as the tariff should be less than or equal to international prices. Industry also asked for removal of import duty, the special additional duty, reduction in the central excise duty from 12% to 6% and removal of the anti-dumping duty so that the industry and products become globally competitive.

The Parliamentary Standing Committee for Labour on Demands for Grants of Ministry of Textile as its second report has opposed dilution in jute packaging and recommend not to dilute the provisions of reservation as contained in The Jute Packaging Materials (Compulsory) Use in Packaging Commodities) Act 1987.

YSRC Farmers Wing state president M.V.S. Nagireddy states that Andhra Pradesh, where the cost of agricultural labour was high, was the biggest loser because of the Central government cumulative average formula for fixing of MSP. While the cost per acre was Rs. 3,500 for Punjab and Haryana the cost in Andhra Pradesh was between Rs. 7,000 and Rs. 8,000.

Informa reduce 2015 USA Cotton Production Forecast. Informa Economics forecast 2015 upland cotton acres in the United States at 9.38 million acres and total plantings of the fiber at 9.6 million acres, both down sharply from the prior year. The total cotton estimate was also down 13.1 percent from 2014. The farmers are willing to shift towards soybean in the mid-south region.

The China's Xinjiang Department of Agriculture announced on December 23, 2014 that Xinjiang cotton acreage total to 29.67 million mu in 2014.

In 2015 decline in US and World acreage is expected on lower prices, and this will lead to retract the supply-side (production). And if, demand also show improvement then cotton prices may show some improvement-Southeast Farm Press.

As estimated by USDA, cotton export from India would be around 1.089 million tonnes this season (2014-15), around 46% lower when compared to the exports in previous season, which was 2.015 million tonnes.

International Fundamentals:

Pakistan Bureau of Statistics revealed that textile and clothing export surged to \$1.128 billion in November 2014 from \$998.143 million in the corresponding period of last year, an increase of 7.01 per cent.

Cotton production in China stood 2.2% lower to 6.16 million tonnes in 2014 when compared to the previous year. The reason for this decline is the falling acreage, which decreased around 3% on year on year basis. Deficit in cotton output in China brings delight to the cotton exporting nations as it increases the possibilities of larger cotton export demand from China, the major consumer in the world. China's decision to keep cotton import up to the quota limit of 894,000 tonnes has kept the market under the bearish pressure. Global prices are moving downtrend amid the expectation of lesser imports by China, the top

importer of cotton in the world. According to USDA china is likely to import 1.52 million tonnes, around 50.5% lower when compared to the 3.075 million tonnes of imports previous year.

According to the latest report by USDA, cotton production on the global front would stand around 25.905 million tonnes this season 2014-15 around 1.09% lower when compared to 26.191 million tonnes previous year.

Outlook

We expect domestic prices to remain range-bound in near term.

NCDEX Kapas Futures*: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	-4.5	809.5	811.5	803	804	4298	-637	19287	-189

Spread	Apr-15		
Spot	40		

(NB: Spread was done by taking avg. spot prices at Rajkot – B.T. Cotton market. Basis = Spot- Near Month Future)

*Last Update at 5:00 PM on 31-12-2014

MCX Cotton Futures*: (Prices in Rs/170 kgs)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-14	-90	15630	15720	15550	15560	373	164	624	-380
Jan-15	-70	15840	15880	15760	15780	772	214	5909	184
Feb-15	-80	16060	16090	15980	15980	310	22	3003	-6
Mar-15	-80	16290	16300	16180	16190	156	91	2597	52
Apr-15	-70	16450	16450	16380	16380	9	-26	1148	0

Spread	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Spot						
Dec-14		-220				
Jan-15			-200			
Feb-15				-210		
Mar-15					-190	
Apr-15						-180

*Last Update at 5:00 PM on 31-12-2014

(NB: Spread was done by taking avg. spot prices at Rajkot – B.T. Cotton market. Basis = Spot- Near Month Future)

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		31-Dec-14	30-Dec-14	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4050	4050	Unch
Khandwa	Mech-1	4180	4180	Unch
Khargaon	Mech-1	4180	4180	Unch
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4300	4200	100
Rajkot	B.T. Cotton	4220	4290	-70
Patan	B.T. Cotton	4205	4210	-5
Deesa	B.T. Cotton	4080	4020	60
Muktsar	B.T. Cotton	4300	4300	Unch
Fazilika	B.T. Cotton	4315	4350	-35
Bhiwani	B.T. Cotton	4550	4500	50
Adampur	B.T. Cotton	4315	4375	-60
Fatehabad	B.T. Cotton	4350	4350	Unch
Dabwali	B.T. Cotton	4295	4400	-105
Jind	B.T. Cotton	4140	4420	-280
Uchana (Jind)	B.T. Cotton	4450	4475	-25
Rawatsar (Hanumangarh)	B.T. Cotton	4220	4180	40
Hubli	B.T. Cotton	4310	4299	11
Hathras	B.T. Cotton(US)	4200	4100	100
Hanumangarh	B.T. Cotton	4225	4250	-25
	Kapas			
Ahmedabad	Shankar-6	4325	4350	-25
Gondal	Shankar-6	4225	4255	-30
	Kapas			
Hathras	Desi	4700	4700	Unch
Bijapur	Bunny	4255	4259	-4
Hubli	D.C.H.	5289	5299	-10
Raichur	H-44 Cotton	NA	4200	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	4000	4000	Unch
	Lint	Rs./Maunder of 37.32kg each)		
Abohar	J-34	3510	3530	-20
Muktsar	J-34	3510	3530	-20
Fazilika	J-34	3505	3520	-15
Bhatinda	J-34	3515	3540	-25
Mansa	J-34	3510	3520	-10
Sirsa	J-34	3460	3460	Unch

Sri-Ganganagar	J-34	3243	3243	Unch
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Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		31-Dec-14	30-Dec-14	
Amravati	Mech-1	8500	7500	1000
Khandwa	Mech-1	800	800	Unch
Khargaone	Mech-1	8000	8000	Unch
Mahesana(Kadi)	B.T. Cotton	50000	40000	10000
Rajkot	B.T. Cotton	5100	5400	-300
Patan	B.T. Cotton	13360	14221	-861
Deesa	B.T. Cotton	5755	3475	2280
Fazilika	B.T. Cotton	1200	1000	200
Muktsar	B.T. Cotton	170	170	Unch
Bhiwani	B.T. Cotton	1500	2500	-1000
Adampur	B.T. Cotton	680	850	-170
Fatehabad	B.T. Cotton	250	300	-50
Dabwali	B.T. Cotton	800	1200	-400
Jind	B.T. Cotton	510	595	-85
Uchana (Jind)	B.T. Cotton	1600	1600	Unch
Rawatsar (Hanumangarh)	B.T. Cotton	100	150	-50
Hubli	B.T. Cotton	66	48	18
Hathras	B.T. Cotton(US)	75	30	45
Hanumangarh	B.T. Cotton	2500	2000	500
Ahmedabad	Shankar-6	88400	85000	3400
Gondal	Shankar-6	2244	2497	-253
Hathras	Desi	200	150	50
Bijapur	Bunny	3843	3331	512
Hubli	D.C.H.	22	116	-94
Raichur	H-44 Cotton	NA	2325	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	510	850	-340
Bhatinda	J-34	30600	34000	-3400
Mansa	J-34	340	340	Unch
Sirsa	J-34	850	850	Unch
Sri-Ganganagar	J-34	6800	6800	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				30-Dec-14	29-Dec-14	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	32200	32200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32700	32700	Unch
J-34(202)	26mm	3.5 - 4.9	23	32200	32300	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33300	33300	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34500	34500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35500	35500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	44500	44500	Unch

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 31/12/2014

Index	RMB/Ton	Change
CCIndex(328)	13605	-2
CCIndex(527)	12685	-3
CCIndex(229)	14303	0

RMB - Renminbi, 1RMB = 0.16 \$U.S.

Cotlook Index: As on 30/12/2014

Cotlook Indices	Cents/Pound	Change
A-Index	70.05	0.20

USDA Cotton Spot Rates: As on 30/12/2014

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.23	62.48	2267
North Delta	64.23	61.48	NIL
South Delta	64.23	61.48	NIL
East TX-OK	60.25	59.25	1951
West Texas	59.75	59.75	12961
Desert SW	67.23	60.23	NIL
SJ Valley	70.88	60.98	NIL

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per Tex and uniformity 80.5 to 81.4

ICE Cotton Futures (Prices in cents/lb.): As on 30/12/2014

Contract	Open	High	Low	Close	Change
Mar-15	62.00	62.16	61.81	61.98	-0.03
May-15	62.40	62.75	62.35	62.59	0.11
Jul-15	63.37	63.63	63.30	63.49	0.14
Oct-15	64.75	64.75	64.75	64.75	0.18
Dec-15	65.76	66.04	65.66	65.94	0.22

Pakistan Cotton Spot rates: As on 30/12/2014 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	4950	150	5100
Equivalent	40 Kgs	5305	160	5465

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