

Domestic Fundamentals:

Market Outlook: Cotton market noticed weak tone.

In The News:

USA Cotton Export for the week December 26-January 1, 2015:

- Net Upland sales of 149,900 RB for 2014-2015 were up 68% from the previous week, but down 13% from the prior 4-week average.
- Increases were primarily for China (69,600 RB), Vietnam (34,600 RB, including 1,000 RB switched from China), Taiwan (26,200 RB), India (11,600 RB), and Pakistan (4,800 RB). Decreases were reported for Turkey (5,500 RB) and Indonesia (1,000 RB).
- Net sales of 200 RB for 2015-2016 were for Japan.
- Exports of 205,800 RB--a marketing-year high--were up 21 percent from the previous week and 11 percent from the prior 4-week average. The primary destinations were Turkey (54,700 RB), China (46,300 RB), Vietnam (38,500 RB), Indonesia (15,300 RB), and Thailand (10,100 RB).
- Net American Pima sales of 8,800 RB for 2014-2015 were down 13% from the previous week, but up 82 percent from the prior 4-week average. Increases were reported for China.
- Exports of 4,800 RB were up 91% from the previous week, but down 16% from the prior 4-week average. The primary destinations were China (2,200 RB), India (1,000 RB), Peru (600 RB), and Japan (600 RB).

The Bangladesh's cotton consumption will rise 4.08% in fiscal 2015-16, on higher demand from local spinners and foreign investors in the textile sector- Economist Intelligence Unit (EIU) forecasts.

At ICE Futures Cotton futures end slightly higher on Thursday as traders positioned themselves ahead of a weekly US government export sales report expected to be strong.

Cotton Corporation of India (CCI), has procured 41 lakh bales (of 170 kg each) of cotton at MSP, till now this year from the major cotton growing region including Andhra Pradesh, Telangana and Maharashtra. Around 27 lakh bales of cotton from Andhra Pradesh and Telangana, 7 lakh bales from Maharashtra, 2.20 lakh bales from Gujarat and 2 lakh bales from Punjab, Haryana and Rajasthan have been procured by Cotton Corporation of India.

The International Cotton Advisory Committee (ICAC) see the growth in cotton consumption this season 2014-15, with a estimated surplus of 1.7 million tons in world output of cotton. Ending stocks would stand around 21.3 million tonnes by the end of current season, around 9% higher from the previous season. Cotton output in India would remain stable at 6.8 million tonnes due to unfavorable situation of monsoon.

Cotton industry in India noticed overall growth in 2014-15 and production is likely to be around 40.2 million bales, said Cotton Association of India (CAI). Cotton output was 15.8 million bales in 2001-02, which has more than doubled in 2014-15.

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.

International Fundamentals:

The Egypt government will no longer pay the subsidy of 350 Egyptian pounds per qintar(160 kg) for high quality cotton (extra long staple cotton, once known as the country's "white gold") and also advised to farmers that not to plant the crop unless they have contracts to sell the same.

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.

Outlook

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

*** Future Market Quotes not updated (Saturday Future's Market Remain Closed)**

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15									

Spread	Apr-15		
Spot			

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

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-15	-210	15350	15360	15130	15210	1598	-20	6122	-32
Feb-15	-180	15580	15580	15310	15420	693	-77	3657	97
Mar-15	-180	15770	15770	15540	15630	340	-181	2865	97
Apr-15	-180	15910	15910	15720	15800	126	38	1215	-12
May-15	-140	16010	16030	15940	16000	8	-6	87	-1

Spread	Jan-15	Feb-15	Mar-15	Apr-15	May-15	--
Spot	--					
Jan-15		-210				
Feb-15			-210			
Mar-15				-170		
Apr-15					-200	
May-15						

(NB: Spread Basis = Spot- Near Month Future)

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		10-Jan-15	9-Jan-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	3965	3975	-10
Khandwa	Mech-1	NA	4050	-
Khargaon	Mech-1	NA	4120	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4350	4200	150
Rajkot	B.T. Cotton	4125	4125	Unch
Patan	B.T. Cotton	NA	4205	-
Deesa	B.T. Cotton	4045	4110	-65
Muktsar	B.T. Cotton	4350	NA	-
Fazilika	B.T. Cotton	4320	NA	-
Bhiwani	B.T. Cotton	4350	4300	50
Adampur	B.T. Cotton	4240	4310	-70
Fatehabad	B.T. Cotton	4225	4300	-75
Dabwali	B.T. Cotton	4105	4285	-180
Jind	B.T. Cotton	4300	4280	20
Uchana (Jind)	B.T. Cotton	4250	4300	-50
Rawatsar (Hanumangarh)	B.T. Cotton	4200	4165	35
Hubli	B.T. Cotton	NA	4269	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	4200	4215	-15
	Kapas			
Ahmedabad	Shankar-6	4200	4200	Unch
Gondal	Shankar-6	4225	4145	80
	Kapas			
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	4119	-
Hubli	D.C.H.	NA	5239	-
Raichur	H-44 Cotton	NA	4150	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	NA	NA	-
	Lint	Rs./Maund of 37.32kg each)		
Abohar	J-34	3425	3460	-35
Muktsar	J-34	3435	NA	-
Fazilika	J-34	3440	NA	-
Bhatinda	J-34	3435	3470	-35

Mansa	J-34	3410	3465	-55
Sirsa	J-34	3350	3390	-40
Sri-Ganganagar	J-34	3159	3328	-169

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		10-Jan-15	9-Jan-15	
Amravati	Mech-1	11000	11300	-300
Khandwa	Mech-1	NA	800	-
Khargaon	Mech-1	NA	7000	-
Mahesana(Kadi)	B.T. Cotton	20000	20000	Unch
Rajkot	B.T. Cotton	4800	5600	-800
Patan	B.T. Cotton	15550	15550	Unch
Deesa	B.T. Cotton	2525	4125	-1600
Fazilika	B.T. Cotton	700	NA	-
Muktsar	B.T. Cotton	128	NA	-
Bhiwani	B.T. Cotton	2000	2000	Unch
Adampur	B.T. Cotton	680	680	Unch
Fatehabad	B.T. Cotton	500	700	-200
Dabwali	B.T. Cotton	950	800	150
Jind	B.T. Cotton	1020	510	510
Uchana (Jind)	B.T. Cotton	2200	2000	200
Rawatsar (Hanumangarh)	B.T. Cotton	125	300	-175
Hubli	B.T. Cotton	NA	30	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	2000	3000	-1000
Ahmedabad	Shankar-6	68000	88400	-20400
Gondal	Shankar-6	2204	1773	431
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	2728	-
Hubli	D.C.H.	NA	60	-
Raichur	H-44 Cotton	NA	2437	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar*	J-34	3425	680	2745
Bhatinda*	J-34	18700	25500	-6800
Mansa	J-34	680	1190	-510
Sirsa*	J-34	1360	1700	-340
Sri-Ganganagar*	J-34	5100	5100	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				8-Nov-14	7-Jan-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31800	32300	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32300	32800	-500
J-34(202)	26mm	3.5 - 4.9	23	31900	32100	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32000	32200	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	32300	32500	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33700	33900	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34700	34900	-200
DCH-32(107)	34mm	3.0 - 3.8	33	44600	44600	Unch

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 9/1/2015

Index	RMB/Ton	Change
CCIndex(328)	13602	-1
CCIndex(527)	12672	-5
CCIndex(229)	14308	-2

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

Cotlook Index: As on 9/1/2015

Cotlook Indices	Cents/Pound	Change
A-Index	68.45	Unch

USDA Cotton Spot Rates: As on 9/1/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.01	61.26	386
North Delta	63.01	60.26	NIL
South Delta	63.01	60.26	NIL
East TX-OK	58.25	57.25	4341
West Texas	57.75	57.75	25133
Desert SW	66.01	59.01	49
SJ Valley	69.66	59.76	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 9/1/2015

Contract	Open	High	Low	Close	Change
15-Mar	60.50	60.86	60.31	60.76	0.20
15-May	61.00	61.40	60.86	61.35	0.23
15-Jul	62.01	62.34	61.75	62.29	0.18

15-Oct	63.24	63.24	63.24	63.24	-0.02
15-Dec	64.33	64.48	64.08	64.45	-0.03
16-Mar	65.44	65.50	65.44	65.50	-0.10

Pakistan Cotton Spot rates: As on 9/1/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	4900	150	5050
Equivalent	40 Kgs	5251	160	5411

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