

### Domestic Fundamentals:

**Market Outlook:** Cotton market noticed mixed tone on Monday.

**In The News:** Cotton prices are under the pressure of bears as Cotton Corporation of India (CCI) has announced the commencement of sale of cotton from 15 January onwards, which it has procured from different centers at MSP in the current season (Oct'14-Sept'15).

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 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.

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 weak to range bound in near term.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	0.5	780	781	773.5	777.5	3368	-8131	17582	-103

Spread	Apr-15
Spot	52.5

Updated at 5:00 pm on 12-01-2015

(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	0	15180	15250	15170	15230	867	-731	5763	-359
Feb-15	-20	15400	15460	15390	15430	434	-259	3664	7
Mar-15	-30	15620	15670	15590	15640	123	-217	2910	45
Apr-15	0	15800	15860	15780	15860	72	-54	1224	9
May-15	30	16000	16020	15980	16020	6	-2	89	2

Spread	Jan-15	Feb-15	Mar-15	Apr-15	May-15	--
Spot	--					
Jan-15		-200				
Feb-15			-210			
Mar-15				-220		
Apr-15					-160	
May-15						--

Updated at 5:00 pm on 12-01-2015

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

## DOMESTIC PRICES AND ARRIVALS

### Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		12-Jan-15	10-Jan-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	3950	3965	<b>-15</b>
Khandwa	Mech-1	4050	NA	-
Khargaoon	Mech-1	4120	NA	-

	Kapas	(Rs./Qtl)		
Mahesana(Kadi)	B.T. Cotton	4200	4350	-150
Rajkot	B.T. Cotton	4150	4125	25
Patan	B.T. Cotton	4195	NA	-
Deesa	B.T. Cotton	4105	4045	60
Muktsar	B.T. Cotton	NA	4350	-
Fazilika	B.T. Cotton	4270	4320	-50
Bhiwani	B.T. Cotton	4325	4350	-25
Adampur	B.T. Cotton	4260	4240	20
Fatehabad	B.T. Cotton	4250	4225	25
Dabwali	B.T. Cotton	4190	4105	85
Jind	B.T. Cotton	4309	4300	9
Uchana	B.T. Cotton	4270	4250	20
Rawatsar	B.T. Cotton	4100	4200	-100
Hubli	B.T. Cotton	NA	4269	-
Hathras	B.T. Cotton(US)	4400	NA	-
Hanumangarh	B.T. Cotton	4200	4200	Unch
	Kapas	(Rs./Qtl)		
Ahmedabad	Shankar-6	4200	4200	Unch
Gondal	Shankar-6	4185	4225	-40
	Kapas	(Rs./Qtl)		
Hathras	Desi	3700	NA	-
Bijapur	Bunny	4091	NA	-
Hubli	D.C.H.	NA	5250	-
Raichur	H-44 Cotton	NA	4100	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4000	NA	-
	Lint	Rs./Maund of 37.32kg each)		
Abohar	J-34	3440	3425	15
Muktsar	J-34	NA	3435	-
Fazilika	J-34	3435	3440	-5
Bhatinda	J-34	3455	3435	20
Mansa	J-34	3435	3410	25
Sirsa	J-34	3365	3350	15
Sri-Ganganagar	J-34	3159	3159	Unch

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		12-Jan-15	10-Jan-15	
Amravati	Mech-1	11500	11000	500
Khandwa	Mech-1	800	NA	-
Khargaon	Mech-1	7000	NA	-
Mahesana(Kadi)	B.T. Cotton	15000	20000	-5000
Rajkot	B.T. Cotton	4650	4800	-150
Patan	B.T. Cotton	16325	15550	775
Deesa	B.T. Cotton	2175	2525	-350
Fazilika	B.T. Cotton	700	700	Unch
Muktsar	B.T. Cotton	NA	128	-
Bhiwani	B.T. Cotton	1000	2000	-1000
Adampur	B.T. Cotton	510	680	-170
Fatehabad	B.T. Cotton	600	500	100
Dabwali	B.T. Cotton	1105	950	155
Jind	B.T. Cotton	1105	1020	85
Uchana	B.T. Cotton	1500	2200	-700
Rawatsar	B.T. Cotton	100	125	-25
Hubli	B.T. Cotton	NA	132	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	1000	2000	-1000
Ahmedabad	Shankar-6	68000	68000	Unch
Gondal	Shankar-6	2524	2204	320
Hathras	Desi	20	NA	-
Bijapur	Bunny	2726	NA	-
Hubli	D.C.H.	NA	30	-
Raichur	H-44 Cotton	NA	2400	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	680	3425	-2745
Bhatinda	J-34	20400	18700	1700
Mansa	J-34	425	680	-255
Sirsa	J-34	1360	1360	Unch
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)	< 22mm	5.0 - 7.0	15	31800	32300	<b>-500</b>
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	32300	32800	<b>-500</b>
J-34(202)	26mm	3.5 - 4.9	23	31900	32100	<b>-200</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32000	32200	<b>-200</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	32300	32500	<b>-200</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33700	33900	<b>-200</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34700	34900	<b>-200</b>
DCH-32(107)	34mm	3.0 - 3.8	33	44600	44600	<b>Unch</b>

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 12/1/2015**

Index	RMB/Ton	Change
CCIndex(328)	13601	<b>-1</b>
CCIndex(527)	12661	<b>-11</b>
CCIndex(229)	14306	<b>-2</b>

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

**Cotlook Index: As on 9/1/2015**

Cotlook Indices	Cents/Pound	Change
A-Index	68.45	<b>Unch</b>

**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	<b>386</b>
North Delta	63.01	60.26	<b>NIL</b>
South Delta	63.01	60.26	<b>NIL</b>
East TX-OK	58.25	57.25	<b>4341</b>
West Texas	57.75	57.75	<b>25133</b>
Desert SW	66.01	59.01	<b>49</b>
SJ Valley	69.66	59.76	<b>NIL</b>

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 10/1/2015 (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

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2015 Indian Agribusiness Systems Pvt. Ltd.