

**There will be no reports and updates on 26<sup>th</sup> Jan. 2015 as AGRIWATCH will be closed for the occasion of Republic Day.**

### Domestic Fundamentals:

**Market Outlook:** Cotton market noticed mostly weak tone. Several markets remain closed on the eve of 'Basant Panchmi'.

**In The News: USA Weekly Cotton Export Up 7%**-According to the USDA, USA weekly cotton net upland sales for shipment this season remained robust during the week ended Jan. 15, rising to 470,300 running bales(RB), up 7% from the previous week and 89% from the prior four-week average. Increases were reported for China (174,500 RB), Vietnam (158,200 RB, including 2,500 RB switched from South Korea, and 2,200 RB switched from China), Turkey (38,100 RB), Indonesia (33,000 RB), and Mexico (21,000 RB). Decreases were reported for Uruguay (2,200 RB). Net sales of 2,400 RB for 2015/2016 were reported primarily for Thailand (1,300 RB) and Mexico (500 RB). Exports of 226,200 RB were down 1 percent from the previous week, but up 12 percent from the prior 4-week average. The primary destinations were China (37,200 RB), Vietnam (36,800 RB), Turkey (35,600 RB), Indonesia (30,600 RB), and Mexico (15,800 RB). Net American Pima sales of 15,000 RB for 2014/2015--a marketing-year high--were up noticeably from the previous week and from the prior 4-week average. Increases were reported for China (12,600 RB), Peru (400 RB), Egypt (400 RB), and Japan (400 RB). Exports of 2,700 RB were down 62 percent from the previous week and 51 percent from the prior 4-week average. The primary destinations were India (400 RB), Pakistan (400 RB), Thailand (300 RB), and China (300 RB).

India is trying to explore new cotton markets aiming towards high cotton exports-Govt. Official. China is the top cotton export market for India, followed by Bangladesh and Pakistan

The district administration Perambalur, Tamilnadu has urged the Cotton Corporation of India (CCI) to ensure that cotton cultivators of the district get remunerative price for their crop.

The Cotton Association of India (CAI) has revised the estimate of cotton production at 400.25 lakh bales for season 2014-15, slightly lower than previous year's production caused by yield loss in the central region of the country. According to CAI, cotton production stood 407.25 lakh bales in 2013-14. For the current season association estimated supply of 472.5 lakh bales, domestic consumption of 306 lakh bales and available surplus of 166.15 lakh bales.

Cotton Corporation of India (CCI) has procured around 4.82 million bales (of 170 kg each) of cotton this season so far. CCI is targeted to buy 10 million bales of cotton during this season with the cost of Rs. 12000 crores. If we see the procurements in previous years, it would be highest procurement, if CCI achieves the target. The highest procurement till date was recorded in 2008-09 when it was 8.9 million bales. Around Rs 9600 crores has been spent by CCI to buy cotton from the various region including Gujarat, Maharashtra and Andhra Pradesh.

Tamil Nadu based Southern India Mills Association (SIMA), the largest spinning mills association in India, has requested the centre to instruct Cotton Corporation of India (CCI) to commence procurement and commercial operation in the state. Since last 20 years, CCI has not executed any MSP operation as the state was among the lowest cotton producing region, but this season Tamil Nadu is likely to five lakh bales of cotton in winter and one lakh bale in continuing summer season. To sell their produce at genuine prices, state want CCI to procure cotton at MSP.

According to Indian Cotton Federation (ICF), cotton output in India in the current season would stand around 406 lakh bales, same what was estimated earlier in November last year. Gujarat is likely to contribute 120 lakh bales while Maharashtra will produce 90 lakh bales and 45 lakh bales and 33 lakh bales are expected to be produced by Telangana and Karnataka respectively.

India is likely to export 1.023 million tonnes of cotton this season, around 49.2% lower when compared to exports of previous season, which stood 2.015 million tonnes, according to USDA.

Cotton production is likely to be around 6.641 million tonnes, slightly lower than the production of previous season, which was 6.750 million tonnes, according to United States Department of Agriculture (USDA). In its previous estimate, USDA projected cotton output in India to be around 6.750 million tonnes during the current season, but the same has lowered the output estimate considering the unfavorable weather conditions, which could still impact the cotton crop.

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.

### International Fundamentals:

Cotton price plunged five year low on Tuesday following the Chinese data and revised global economic forecasts. China recorded 7.4% growth in the economy, the slowest growth rate in nearly a quarter of a century, according to National Bureau of Statistics. Also International Monetary Fund (IMF) lowered its global growth forecast for 2015 to 3.5% which was estimated 3.8% earlier. Following the wave, World Bank also reduced its forecast for global economic expansion to 3%, around 0.4% lower than the previous estimate. March contract, most active contract on ICE, settled at 57.79 cents a pound, the lowest price recorded since August 27, 2009.

China cotton import during December noted a fall of 57 percent, when compared to corresponding month during the previous year. China imported 264,500 tons of cotton in December and 2.4 million tons during the year 2014, around 41 percent lower when compared to previous year.

United state department of agriculture (USDA) has given its final approval to herbicide-tolerant GMO crops (Cotton and Soybean) to be used with new herbicide, developed by Monsanto Co. According to Monsanto the same combination of crop and herbicide will help growers to control weed invasion in crop field that will ultimately boost the yield. Although Monsanto got approval from USDA, it still needs final approval from Environmental Protection Agency for the herbicide it has developed to be used by crops.

### Outlook

We expect domestic prices to remain weak in near term.

**\* Future's Market Remain Closed on Saturday**

### 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	-	-	-	-	-	-	-	-	-
Feb-15	-	-	-	-	-	-	-	-	-
Mar-15	-	-	-	-	-	-	-	-	-
Apr-15	-	-	-	-	-	-	-	-	-
May-15	-	-	-	-	-	-	-	-	-

Spread	Jan-15	Feb-15	Mar-15	Apr-15	May-15	--
Spot	-	-	-	-	-	-
Jan-15	-	-	-	-	-	-
Feb-15	-	-	-	-	-	-
Mar-15	-	-	-	-	-	-
Apr-15	-	-	-	-	-	-
May-15	-	-	-	-	-	-

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

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		24-Jan-15	23-Jan-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	3800	3800	Unch
Khandwa	Mech-1	NA	-	-
Khargaon	Mech-1	NA	-	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4100	4100	Unch
Rajkot	B.T. Cotton	3925	3940	-15
Patan	B.T. Cotton	Closed	4075	-
Deesa	B.T. Cotton	Closed	4000	-
Muktsar	B.T. Cotton	4050	4100	-50
Fazilika	B.T. Cotton	4200	4205	-5
Bhiwani	B.T. Cotton	4000	4100	-100
Adampur*	B.T. Cotton	NA	4050	-
Fatehabad	B.T. Cotton	4025	4065	-40
Dabwali*	B.T. Cotton	3950	3950	Unch

Jind	B.T. Cotton	4100	NA	-
Uchana (Jind)*	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)*	B.T. Cotton	Closed	Closed	-
Hubli	B.T. Cotton	NA	4010	-
Hathras	B.T. Cotton(US)	NA	--	-
Hanumangarh	B.T. Cotton	4030	4050	-20
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4000	--	-
Gondal	Shankar-6	3605	3605	Unch
	<b>Kapas</b>			
Hathras	Desi	NA	--	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	4271	-
Raichur	H-44 Cotton	3825	3900	-75
Guntur	Un-Ginned	4050	4050	Unch
Kurnool	Un-Ginned	4250	4250	Unch
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4000	4000	Unch
	<b>Lint</b>	<b>Rs./Maund of 37.32kg each)</b>		
Abohar*	J-34	3250	3320	-70
Muktsar*	J-34	3200	3315	-115
Fazilika	J-34	3330	3340	-10
Bhatinda	J-34	3260	3325	-65
Mansa*	J-34	3260	3315	-55
Sirsa*	J-34	3170	3235	-65
Sri-Ganganagar*	J-34	3055	3055	Unch

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		24-Jan-15	23-Jan-15	
Amravati	Mech-1	12200	12500	-300
Khandwa	Mech-1	-	-	-
Khargaon	Mech-1	-	-	-
Mahesana(Kadi)	B.T. Cotton	16000	20000	-4000
Rajkot	B.T. Cotton	4200	4600	-400
Patan	B.T. Cotton	Closed	12013	-
Deesa	B.T. Cotton	Closed	3050	-
Fazilika	B.T. Cotton	400	400	Unch
Muktsar	B.T. Cotton	34	170	-136
Bhiwani	B.T. Cotton	1500	1000	500
Adampur	B.T. Cotton	NA	340	-
Fatehabad	B.T. Cotton	200	70	130
Dabwali	B.T. Cotton	200	250	-50
Jind	B.T. Cotton	17	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	Closed	-
Hubli	B.T. Cotton	NA	22	-

Hathras	B.T. Cotton(US)	-	--	-
Hanumangarh	B.T. Cotton	700	1000	-300
Ahmedabad	Shankar-6	68000	--	-
Gondal	Shankar-6	2323	1776	547
Hathras	Desi	NA	--	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	4	-
Raichur	H-44 Cotton	2625	3300	-675
Guntur	Un-Ginned	1	1	Unch
Kurnool	Un-Ginned	NA	80	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar*	J-34	510	510	Unch
Bhatinda*	J-34	680	850	-170
Mansa	J-34	510	170	340
Sirsa*	J-34	340	850	-510
Sri-Ganganagar*	J-34	1700	3400	-1700

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				23-Jan-15	22-Jan-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	29900	30100	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	30400	30600	-200
J-34(202)	26mm	3.5 - 4.9	23	30000	30400	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	29700	29900	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	30300	30500	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32000	31800	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33000	33000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	43500	43700	-200

**Cotton Seed Oil Prices**
**Refined Cotton Seed Oil at Key Centers:**

Centre	Unit	Price		Change
		24-Jan-15	23-Jan-15	
Rajkot	Rs. /10 Kg.	555	555	Unch
New Delhi	Rs. /10 Kg.	580	580	Unch
Hyderabad	Rs. /10 Kg.	585	595	10
Mumbai	Rs. /10 Kg.	580	585	5

**Cotton Oil Seed Cake Prices**
**Cotton Oil Seed Prices at Key Centers:**

Centre	Unit	Price		Change
		24-Jan-15	23-Jan-15	
Mahesana (Kadi)	Rs./Qtl	Closed	1486	-
Akola	Rs./Qtl	Closed	1415	-

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 23/1/2015**

Index	RMB/Ton	Change
CCIndex(328)	13472	<b>-13</b>
CCIndex(527)	12490	<b>-8</b>
CCIndex(229)	14193	<b>-12</b>

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

**Cotlook Index: As on 23/1/2015**

Cotlook Indices	Cents/Pound	Change
A-Index	65.8	<b>-0.20</b>

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	58.05	60.8	<b>3368</b>
North Delta	56.8	59.55	<b>Nil</b>
South Delta	56.8	59.5	<b>Nil</b>
East TX-OK	55.5	56.5	<b>2248</b>
West Texas	55.5	55.5	<b>18709</b>
Desert SW	55.55	62.55	<b>1200</b>
SJ Valley	56.3	66.2	<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 23/1/2015**

Contract	Open	High	Low	Close	Change
<b>Mar-15</b>	57.77	59	57	57.30	<b>-0.46</b>
<b>May-15</b>	58.68	59.46	57.95	58.20	<b>-0.45</b>
<b>Jul-15</b>	59.6	60	59	59.11	<b>-0.47</b>
<b>Oct-15</b>	60.15	60.15	60.15	60.15	<b>-0.56</b>
<b>Dec-15</b>	61.71	62.39	61.28	61.50	<b>-0.21</b>
<b>Mar-16</b>	63.34	63.34	62.3	62.56	<b>-0.18</b>

**Pakistan Cotton Spot rates: As on 23/1/2015 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	4800	150	4950
Equivalent	40 Kgs	5144	160	5304

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