

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Thursday.

In The News: Ministry of Textiles proposed to limit the cotton export from India by putting the cap on the amount of exportable cotton per year and suggested to levy 10% duty on the export of cotton over and above this exportable surplus. It was the budget suggestion to build a long term inventory of cotton in country for the domestic industry, said official sources.

Cotton Corporation of India (CCI) has procured around 84 lakh bales (170 kg each) of cotton this season so far. CCI has sold 2.67 lakh bales of cotton till date, according to the officials. Telangana ranks the first among the states who sold their cotton to CCI at MSP. around 35.55 lakh bales has been procured from Telangana, 17.5 lakh bales and 16.5 lakh bales has been procured from Maharashtra and Andhra Pradesh respectively.

India exported 1.81 lakh bales of cotton last week (09-15 Mar 2015), which was 1.70 lakh bales previous to last week (02-08 Mar 2015), according to the data released by IBIS. Imports on the other hand stood 0.17 lakh bales last week, which was 0.16 lakh bales previous to last week.

Cotton price at NCDEX climbed more than two month high on Monday (16 March 2015) following the announcement of lower production estimates by CAI, unseasonal rainfall, depleting stocks and expectation of lower acreage in the coming season April contract of kapas at NCDEX touched the high of Rs 781 per maund (20kg each) which was level last seen on January 09 this year.

Domestic cotton prices are on track of recovery. Weekly average price of cotton in Gujarat stood Rs. 3900 per quintal, around 4.14% higher when compared to the average price during previous to last week, which was Rs 3745.

Cotton Association of India revised the cotton output estimates downwardly for the country at 397 lakh bales which was earlier estimated at 400.25 lakh bales in December 2014. The cause of the fall in output is decline in production estimates for central region including Gujarat, Maharashtra and Madhya Pradesh. According to CAI cotton consumption would stand around 306 lakh bales this season compared to 300.68 lakh bales in 2013-14. Cotton imports according to CAI latest estimates would be around 13 lakh bales this season, around 10.64% higher when compared to the imports of previous season which was 11.75 lakh bales.

Cotton export from India is expected to rise in 2015-16. According to ICAC, cotton exports from India in 2015-16 would be around 1.41 million tons around 16.82% higher when compared to the export of current season which would be around 1.207 million tons.

According to the IBIS data, cumulative exports this season during the period of Oct'14-Feb'15 stood 32.2 lakh bales, around 58.05% lower when compared to the export during the same period last season, which was 76.7 lakh bales. Imports on the other hand recorded on the higher side during the initial months of the seasons. Cumulative Import for the period of Oct'14-Feb'15 remained 4.88 lakh bales which was 2.4 lakh bales in the previous season during the same period.

International Fundamentals:

China imported 159,100 metric tons of cotton in February this year, 35.3% lower when compared to imports during the same month previous year, according to customs data cited by China Cotton Association (CCA).

Cotton planting area in China this year is likely to drop by 23 percent this year compared to previous year, according to the latest survey reports by China Cotton Association (CCA). Earlier CCA expected cotton area to shrink by 25.4 percent in its January estimates. The rise in the figures this month is the result of expectation of higher cotton area in Xinjiang.

According to the industry experts, Chinese cotton farmers are likely to replace cultivation of non-organic cotton with organic cotton as it fetches the better margins and its demand in international market is likely to manifold by 2020.

Outlook

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

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	1.5	770	775	766	770	1513	-861	7356	170
Spread	Apr-15								
Spot	42				--		--		

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

*Updated at 5:00 pm on 19 March 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	90	14840	14940	14800	14840	637	-196	5069	-233
Apr-15	80	15100	15200	15050	15090	418	-70	4332	293
May-15	110	15310	15370	15280	15330	106	-42	2191	67
Jun-15	120	15530	15540	15510	15540	22	-1	352	24
Spread	Mar-15	Apr-15	May-15	Jun-15	--		--		
Spot	--								
Mar-15		-250							
Apr-15			-240						
May-15				-210					
Jun-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 19 March 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		19-Mar-15	18-Mar-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4100	4080	20
Khandwa	Mech-1	4180	4180	Unch
Khargaon	Mech-1	4050	4050	Unch
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4255	4250	5
Rajkot	B.T. Cotton	4060	4085	-25
Patan	B.T. Cotton	4140	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4060	4105	-45
Muktsar	B.T. Cotton	4300	4300	Unch
Fazilika	B.T. Cotton	NA	4220	-
Bhiwani	B.T. Cotton	4325	4300	25
Adampur	B.T. Cotton	4230	4230	Unch
Fatehabad	B.T. Cotton	4300	4275	25
Dabwali	B.T. Cotton	4180	4175	5
Jind	B.T. Cotton	4250	4350	-100
Uchana (Jind)	B.T. Cotton	4270	4270	Unch
Rawatsar (Hanumangarh)	B.T. Cotton	4225	4225	Unch
Hubli	B.T. Cotton	NA	4035	-
Hathras	B.T. Cotton(US)	NA	3100	-
Hanumangarh	B.T. Cotton	4295	4250	45
	Kapas			
Ahmedabad	Shankar-6	NA	4150	-
Gondal	Shankar-6	4085	4065	20
	Kapas			
Jamner (Jalgaon)	Medium Staple	3850	3850	Unch
Hathras	Desi	NA	3500	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4025	4050	-25
Guntur	Un-Ginned	4050	4050	Unch
Kurnool	Un-Ginned	4000	4000	Unch
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	4050	NA	-
	Lint	Rs./Maund (of 37.32kg each)		
Abohar	J-34	3510	3510	Unch
Muktsar	J-34	3500	3510	-10
Fazilika	J-34	NA	3460	-
Bhatinda	J-34	3515	3510	5
Mansa	J-34	3495	3505	-10
Sirsa	J-34	3425	3425	Unch

Sri-Ganganagar	J-34	3135	3135	Unch
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Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		19-Mar-15	18-Mar-15	
Amravati	Mech-1	1300	1000	300
Khandwa	Mech-1	600	1200	-600
Khargaon	Mech-1	5000	6000	-1000
Mahesana(Kadi)	B.T. Cotton	25000	30000	-5000
Rajkot	B.T. Cotton	2600	3200	-600
Patan	B.T. Cotton	6110	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	195	189	6
Fazilika	B.T. Cotton	NA	150	-
Muktsar	B.T. Cotton	340	340	Unch
Bhiwani	B.T. Cotton	1500	1500	Unch
Adampur	B.T. Cotton	340	340	Unch
Fatehabad	B.T. Cotton	400	200	200
Dabwali	B.T. Cotton	150	400	-250
Jind	B.T. Cotton	43	255	-212
Uchana (Jind)	B.T. Cotton	510	300	210
Rawatsar (Hanumangarh)	B.T. Cotton	50	150	-100
Hubli	B.T. Cotton	NA	52	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	500	250	250
Ahmedabad	Shankar-6	NA	51000	-
Gondal	Shankar-6	1062	1248	-186
Jamner (Jalgaon)	Medium Staple	603	670	-67
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1980	2310	-330
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	14.5	8	6.5
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	425	510	-85
Bhatinda	J-34	8500	7650	850
Mansa	J-34	425	510	-85
Sirsa	J-34	1020	1190	-170
Sri-Ganganagar	J-34	850	850	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				18-Mar-15	17-Mar-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	30600	30600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	31100	31100	Unch
J-34(202)	26mm	3.5 - 4.9	23	32000	31900	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	30200	30300	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	30900	31000	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33600	33600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34600	34600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	40000	40000	Unch

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

Centre	Unit	Price		Change
		19-Mar-15	18-Mar-15	
Rajkot	Rs. /10 Kg.	542	545	-3
New Delhi	Rs. /10 Kg.	545	540	5
Hyderabad	Rs. /10 Kg.	570	570	Unch
Mumbai	Rs. /10 Kg.	575	575	Unch

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

Centre	Unit	Price		Change
		19-Mar-15	18-Mar-15	
Mahesana (Kadi)	Rs./Qtl	1602	1600	2
Akola	Rs./Qtl	1585	1588	-3

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 19/3/2015

Index	RMB/Ton	Change
CCIndex(328)	13450	-7
CCIndex(527)	12425	0
CCIndex(229)	14171	-16

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

Cotlook Index: As on 18/3/2015

Cotlook Indices	Cents/Pound	Change
A-Index	67.20	-0.30

USDA Cotton Spot Rates: As on 18/3/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	62.73	65.98	NIL
North Delta	61.73	64.48	NIL
South Delta	61.73	64.48	NIL
East TX-OK	58.50	60.75	2402
West Texas	58.50	60.75	1640
Desert SW	60.23	66.73	231
SJ Valley	61.23	71.13	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 18/3/2015

Contract	Open	High	Low	Close	Change
Mar-15	60.20	62.65	59.83	62.48	2.27
May-15	60.85	63.10	60.50	62.87	2.04
Jul-15	62.46	63.40	62.46	63.40	1.84
Oct-15	62.20	64.00	61.95	63.67	1.42
Dec-15	62.44	63.43	62.34	63.43	0.96
Mar-16	63.00	63.49	62.84	63.49	0.44

Pakistan Cotton Spot rates: As on 18/3/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5050	150	5200
Equivalent	40 Kgs	5412	160	5572

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