

## Domestic Fundamentals:

**Market Outlook:** Cotton market noticed mixed tone on Saturday. Few of the market remained closed following “Navratri” and “Gudi Padwa”.

**In The News:** Cotton Corporation of India (CCI) expects cotton production during the current season to be much lower which was expected earlier. Cotton output from the country in season 2014-15 would stand around 360-370 lakh bales which was earlier estimated 400 lakh bales, said BK Mishra, CMD, CCI. The drop in the total output is the result of fall in individual output from northern and western states.

Gujarat lagged by 20-25 lakh bales in cotton output what was estimated to be in the current season. Similarly Karnataka noticed the short fall of 3-4 lakh bales. Telangana and Andhra Pradesh on other hand are expected to exceed the output estimates figure. Total of 90 lakh bales are expected from these two states collectively which was earlier expected 77 lakh bales. 60 lakh bales is expected from Telangana and around 30 lakh bales would be sourced from Andhra Pradesh.

Cotton Corporation of India (CCI) has procured 85 lakh bales of cotton this season till date. CCI is likely to procure 5-10 lakh bales of cotton in the coming days. According to officials, both the procurement and sale of cotton by CCI remained on lower side following the lack luster domestic and overseas demand.

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.

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.

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.

### International Fundamentals:

ICE cotton plunged up on the higher US cotton exports sales data. USDA reported net export sales of 238600 bales of upland cotton during the week ended March 12, around 36800 bales higher when compared to previous week. The most active May'15 contract touched the high of 63.41 cents a pound and settled at 62.95 cents a pound on Thursday.

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.

### 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	-4	769	770	765.5	766.5	2558	1045	7393	37
Spread	Apr-15								
Spot	46.5				--		--		

(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 20 March 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	-50	14880	14920	14820	14850	418	-219	4864	-205
Apr-15	-50	15140	15170	15070	15100	305	-113	4385	53
May-15	-60	15380	15400	15300	15330	113	7	2079	-112
Jun-15	-70	15600	15620	15540	15540	23	1	367	15
Spread	Mar-15	Apr-15	May-15	Jun-15	--		--		
Spot	--								
Mar-15		-250							
Apr-15			-230						
May-15				-210					
Jun-15									
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(NB: Spread Basis = Spot- Near Month Future)

\* Updated at 5:00 pm on 20 March 2015

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Market:**

Centre	Variety	Prices		Change
		21-Mar-15	20-Mar-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4100	4100	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4250	4250	Unch
Rajkot	B.T. Cotton	4060	4065	-5
Patan	B.T. Cotton	4160	4140	20
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	4325	4300	25
Fazilika	B.T. Cotton	NA	4250	-
Bhiwani	B.T. Cotton	4350	4350	Unch
Adampur	B.T. Cotton	4260	4240	20
Fatehabad	B.T. Cotton	4280	4300	-20
Dabwali	B.T. Cotton	4140	4220	-80
Jind	B.T. Cotton	4300	4220	80
Uchana (Jind)	B.T. Cotton	4285	4274	11
Rawatsar (Hanumangarh)	B.T. Cotton	4225	NA	-
Hubli	B.T. Cotton	3997	NA	-
Hathras	B.T. Cotton(US)	3100	NA	-
Hanumangarh	B.T. Cotton	4250	NA	-
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4175	4150	25
Gondal	Shankar-6	4055	4025	30
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	NA	3850	-
Hathras	Desi	3500	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	NA	-
Guntur	Un-Ginned	NA	4050	-
Kurnool	Un-Ginned	4000	4000	Unch
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	NA	4000	-
	<b>Lint</b>	<b>Rs./Maund (of 37.32kg each)</b>		
Abohar	J-34	3520	3510	10
Muktsar	J-34	3500	3500	Unch
Fazilika	J-34	NA	3470	-
Bhatinda	J-34	3525	3515	10
Mansa	J-34	3480	3495	-15

Sirsa	J-34	3420	3420	Unch
Sri-Ganganagar	J-34	3135	3102	33

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		21-Mar-15	20-Mar-15	
Amravati	Mech-1	400	230	170
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	30000	30000	Unch
Rajkot	B.T. Cotton	1700	2000	-300
Patan	B.T. Cotton	5730	6290	-560
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	150	-
Muktsar	B.T. Cotton	340	340	Unch
Bhiwani	B.T. Cotton	1500	2500	-1000
Adampur	B.T. Cotton	425	425	Unch
Fatehabad	B.T. Cotton	400	425	-25
Dabwali	B.T. Cotton	400	350	50
Jind	B.T. Cotton	136	60	76
Uchana (Jind)	B.T. Cotton	700	550	150
Rawatsar (Hanumangarh)	B.T. Cotton	100	NA	-
Hubli	B.T. Cotton	24	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	100	NA	-
Ahmedabad	Shankar-6	59500	51000	8500
Gondal	Shankar-6	1338	1182	156
Jamner (Jalgaon)	Medium Staple	NA	230	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	8	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	510	510	Unch
Bhatinda	J-34	8500	8500	Unch
Mansa	J-34	425	340	85
Sirsa	J-34	850	850	Unch
Sri-Ganganagar	J-34	680	850	-170

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				20-Mar-15	19-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	32000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	30300	30100	200
Shankar-6(105)	29mm	3.5 - 4.9	28	30700	30800	-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
		21-Mar-15	20-Mar-15	
Rajkot	Rs. /10 Kg.	520	545	-25
New Delhi	Rs. /10 Kg.	545	545	Unch
Hyderabad	Rs. /10 Kg.	560	570	-10
Mumbai	Rs. /10 Kg.	570	570	Unch

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

Centre	Unit	Price		Change
		21-Mar-15	20-Mar-15	
Mahesana (Kadi)	Rs./Qtl	NA	1600	-
Akola	Rs./Qtl	NA	1577	-

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 20/3/2015**

Index	RMB/Ton	Change
CCIndex(328)	13448	-2
CCIndex(527)	12425	0
CCIndex(229)	14149	-6

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

**Cotlook Index: As on 20/3/2015**

Cotlook Indices	Cents/Pound	Change
A-Index	69.65	0.50

**USDA Cotton Spot Rates: As on 20/3/2015**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
<b>Southeast</b>	63.07	66.32	<b>NIL</b>
<b>North Delta</b>	62.07	64.82	<b>NIL</b>
<b>South Delta</b>	62.07	64.82	<b>88</b>
<b>East TX-OK</b>	59.00	61.25	<b>3562</b>
<b>West Texas</b>	59.00	61.25	<b>4830</b>
<b>Desert SW</b>	60.57	67.07	<b>NIL</b>
<b>SJ Valley</b>	61.57	71.47	<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 20/3/2015**

Contract	Open	High	Low	Close	Change
<b>May-15</b>	62.64	63.26	62.30	62.82	<b>-0.13</b>
<b>Jul-15</b>	62.89	63.67	62.72	63.40	<b>0.08</b>
<b>Oct-15</b>	63.32	63.91	63.18	63.78	<b>0.01</b>
<b>Dec-15</b>	63.75	64.17	63.52	64.06	<b>-0.05</b>
<b>Mar-16</b>	63.44	63.99	63.23	63.99	<b>0.10</b>
<b>May-16</b>	64.00	64.26	64.00	64.26	<b>0.26</b>

**Pakistan Cotton Spot rates: As on 20/3/2015 (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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