

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Monday.

In The News: Cotton prices are on track of recovery in domestic market. Average price of Kapas at Rajkot during the last week was Rs. 4070 per quintal, which stood Rs 4025 previous to last week. Weekly average price of Shankar-6 (29 mm) recorded Rs. 30920 per candy last week which was Rs. 30735 previous to last week.

Severe crop losses in Maharashtra has led 40 % rise in the farmers suicide in the last seven months in the state. Farmers faced the water shortage during the sowing of crop following drought like weather situation then prevailing and now their crops are hit badly by the unseasonal rain and hailstorm. According to the officials Maharashtra is facing a potent combination of three types of drought. The poor rain leading to meteorological drought, ground water depletion causing hydrological drought and drop in yield means the agricultural drought, said Aurangabad divisional Commissioner, Umakant Dangat. Winter rabi crop sowing reported 40% lower in the state.

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.

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	8	766.5	778	765.5	776	3345	787	7481	88
Spread	Apr-15								
Spot	38				--		--		

(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 23 March 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	120	14890	15030	14840	15000	1463	1045	4401	-463
Apr-15	140	15150	15290	15100	15270	1518	1213	4984	599
May-15	130	15390	15540	15350	15510	476	363	2198	119
Jun-15	190	15600	15740	15590	15740	22	-1	385	18
Spread	Mar-15	Apr-15	May-15	Jun-15	--		--		
Spot	--								
Mar-15		-270							
Apr-15			-240						
May-15				-230					
Jun-15									
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(NB: Spread Basis = Spot- Near Month Future)
 * Updated at 5:00 pm on 23 March 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		23-Mar-15	21-Mar-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4100	4100	Unch
Khandwa	Mech-1	4200	NA	-
Khargaon	Mech-1	4200	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4350	4250	100
Rajkot	B.T. Cotton	4070	4060	10
Patan	B.T. Cotton	4135	4160	-25
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	4300	4325	-25
Fazilika	B.T. Cotton	4270	NA	-
Bhiwani	B.T. Cotton	4425	4350	75
Adampur	B.T. Cotton	4275	4260	15
Fatehabad	B.T. Cotton	4280	4280	Unch
Dabwali	B.T. Cotton	4145	4140	5
Jind	B.T. Cotton	4350	4300	50
Uchana (Jind)	B.T. Cotton	4285	4285	Unch
Rawatsar (Hanumangarh)	B.T. Cotton	4240	4225	15
Hubli	B.T. Cotton	NA	3997	-
Hathras	B.T. Cotton(US)	NR	3100	-
Hanumangarh	B.T. Cotton	4300	4250	50
	Kapas			
Ahmedabad	Shankar-6	4175	4175	Unch
Gondal	Shankar-6	4065	4055	10
	Kapas			
Jamner (Jalgaon)	Medium Staple	3850	NA	-
Hathras	Desi	NR	3500	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4050	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	4000	-
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	NA	NA	-
	Lint			
Abohar	J-34	3530	3520	10
Muktsar	J-34	3515	3500	15

Fazilika	J-34	3500	NA	-
Bhatinda	J-34	3540	3525	15
Mansa	J-34	3525	3480	45
Sirsa	J-34	3430	3420	10
Sri-Ganganagar	J-34	3102	3135	-33

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		23-Mar-15	21-Mar-15	
Amravati	Mech-1	900	400	500
Khandwa	Mech-1	300	NA	-
Khargaon	Mech-1	1500	NA	-
Mahesana(Kadi)	B.T. Cotton	15000	30000	-15000
Rajkot	B.T. Cotton	2100	1700	400
Patan	B.T. Cotton	6325	5730	595
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	100	NA	-
Muktsar	B.T. Cotton	340	340	Unch
Bhiwani	B.T. Cotton	1000	1500	-500
Adampur	B.T. Cotton	425	425	Unch
Fatehabad	B.T. Cotton	400	400	Unch
Dabwali	B.T. Cotton	550	400	150
Jind	B.T. Cotton	70	136	-66
Uchana (Jind)	B.T. Cotton	650	700	-50
Rawatsar (Hanumangarh)	B.T. Cotton	100	100	Unch
Hubli	B.T. Cotton	NA	24	-
Hathras	B.T. Cotton(US)	NR	NA	-
Hanumangarh	B.T. Cotton	100	100	Unch
Ahmedabad	Shankar-6	51000	59500	-8500
Gondal	Shankar-6	258	1338	-1080
Jamner (Jalgaon)	Medium Staple	402	NA	-
Hathras	Desi	NR	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	3075	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-

East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	340	510	-170
Bhatinda	J-34	6800	8500	-1700
Mansa	J-34	510	425	85
Sirsa	J-34	850	850	Unch
Sri-Ganganagar	J-34	850	680	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)	< 22mm	5.0 - 7.0	15	30600	30600	Unch
Bengal Deshi (SG)(201)	< 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
		23-Mar-15	21-Mar-15	
Rajkot	Rs. /10 Kg.	548	520	28
New Delhi	Rs. /10 Kg.	545	545	Unch
Hyderabad	Rs. /10 Kg.	575	560	15
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
		23-Mar-15	21-Mar-15	
Mahesana (Kadi)	Rs./Qtl	1606	NA	-
Akola	Rs./Qtl	1583	NA	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 23/3/2015

Index	RMB/Ton	Change
CCIndex(328)	13446	-2
CCIndex(527)	12420	-5
CCIndex(229)	14140	-9

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
Southeast	63.07	66.32	NIL
North Delta	62.07	64.82	NIL
South Delta	62.07	64.82	88
East TX-OK	59.00	61.25	3562
West Texas	59.00	61.25	4830
Desert SW	60.57	67.07	NIL
SJ Valley	61.57	71.47	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 20/3/2015

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

Pakistan Cotton Spot rates: As on 21/3/2015 (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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