

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Tuesday.

In The News: Gujarat Transport Cotton to TN through Ships. Gujarat textile mills use the shipping route, instead of road, for the transport of cotton to Tamil Nadu. Till January, 2,600 containers of cotton transported by sea against the 1200 container in last year. It is expected to touch about 4,400 containers by the end of this month. The cost of transporting one bale of cotton by road from Gujarat to Tamil Nadu works out to nearly Rs. 850 and it is between Rs. 640 and Rs. 790 by ship. The Indian National Ship Owners' Association and the revised rates for transport by ship ranges between Rs. 590 and Rs. 730 for a bale of cotton. The cotton from Gujarat or Maharashtra arrive at the Tuticorin port. (Source-Hindu)

Cotton price surged more than 10 week high in domestic market. Kapas at NCDEX on Monday i.e. 23 March 2015 closed at Rs. 788 per 20 kg which was last noticed on January 08 this year. Downward revision in production estimates, lower acreage expected in next season and depletion of stocks are making cotton price to recover.

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.

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	785	789.5	782	784	2710	-635	6597	-884
Spread									
		Apr-15							
Spot		40		--		--			

(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 24 March 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	-90	15210	15270	15120	15140	1703	240	3850	-551
Apr-15	-60	15470	15560	15430	15430	1715	197	5695	711
May-15	-70	15710	15820	15680	15680	581	105	2162	-36
Jun-15	-10	15940	16070	15900	15900	74	52	366	-19
Spread									
		Mar-15		Apr-15		May-15		Jun-15	
Spot		--							
Mar-15				-290					
Apr-15				-250					
May-15						-220			
Jun-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 24 March 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		24-Mar-15	23-Mar-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4100	4100	Unch
Khandwa	Mech-1	4200	4200	Unch
Khargaon	Mech-1	4200	4200	Unch
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4400	4350	50
Rajkot	B.T. Cotton	4120	4070	50
Patan	B.T. Cotton	4190	4135	55
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	4115	-
Muktsar	B.T. Cotton	4400	4300	100
Fazilika	B.T. Cotton	4250	4270	-20
Bhiwani	B.T. Cotton	4450	4425	25
Adampur	B.T. Cotton	4365	4275	90
Fatehabad	B.T. Cotton	4370	4280	90
Dabwali	B.T. Cotton	4330	4145	185
Jind	B.T. Cotton	4356	4350	6
Uchana (Jind)	B.T. Cotton	4330	4285	45
Rawatsar (Hanumangarh)	B.T. Cotton	4325	4240	85
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NR	-
Hanumangarh	B.T. Cotton	4300	4300	Unch
	Kapas			
Ahmedabad	Shankar-6	4200	4175	25
Gondal	Shankar-6	4105	4065	40
	Kapas			
Jamner (Jalgaon)	Medium Staple	3850	3850	Unch
Hathras	Desi	NA	NR	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4071	4050	21
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	NA	-
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	4050	NA	-
	Lint			
Abohar	J-34	3565	3530	35
Muktsar	J-34	3550	3515	35
Fazilika	J-34	3500	3500	Unch

Bhatinda	J-34	3565	3540	25
Mansa	J-34	3525	3525	Unch
Sirsa	J-34	3460	3430	30
Sri-Ganganagar	J-34	3149	3102	47

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		24-Mar-15	23-Mar-15	
Amravati	Mech-1	1200	900	300
Khandwa	Mech-1	NA	300	-
Khargaon	Mech-1	NA	1500	-
Mahesana(Kadi)	B.T. Cotton	15000	15000	Unch
Rajkot	B.T. Cotton	1000	2100	-1100
Patan	B.T. Cotton	5320	6325	-1005
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	234	-
Fazilika	B.T. Cotton	150	100	50
Muktsar	B.T. Cotton	170	340	-170
Bhiwani	B.T. Cotton	1500	1000	500
Adampur	B.T. Cotton	850	425	425
Fatehabad	B.T. Cotton	400	400	Unch
Dabwali	B.T. Cotton	400	550	-150
Jind	B.T. Cotton	41	70	-29
Uchana (Jind)	B.T. Cotton	810	650	160
Rawatsar (Hanumangarh)	B.T. Cotton	50	100	-50
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NR	-
Hanumangarh	B.T. Cotton	NA	100	-
Ahmedabad	Shankar-6	51000	51000	Unch
Gondal	Shankar-6	486	258	228
Jamner (Jalgaon)	Medium Staple	315	402	-87
Hathras	Desi	NA	NR	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1402	3075	-1673
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	0.1	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-

Abohar	J-34	340	340	Unch
Bhatinda	J-34	10200	6800	3400
Mansa	J-34	425	510	-85
Sirsa	J-34	850	850	Unch
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
				23-Mar-15	20-Mar-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31300	30600	700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	31800	31100	700
J-34(202)	26mm	3.5 - 4.9	23	32200	32000	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	30600	30300	300
Shankar-6(105)	29mm	3.5 - 4.9	28	31100	30700	400
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	41000	40000	1000

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

Centre	Unit	Price		Change
		24-Mar-15	23-Mar-15	
Rajkot	Rs. /10 Kg.	545	548	-3
New Delhi	Rs. /10 Kg.	540	545	-5
Hyderabad	Rs. /10 Kg.	580	575	5
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
		24-Mar-15	23-Mar-15	
Mahesana (Kadi)	Rs./Qtl	1647	1606	41
Akola	Rs./Qtl	1622	1583	39

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 24/3/2015

Index	RMB/Ton	Change
CCIndex(328)	13449	3
CCIndex(527)	12418	-2
CCIndex(229)	14140	Unch

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

Cotlook Index: As on 23/3/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.55	-0.10

USDA Cotton Spot Rates: As on 23/3/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.3	67.55	NIL
North Delta	63.3	66.05	NIL
South Delta	63.3	66.05	676
East TX-OK	60.25	62.5	3009
West Texas	60.25	62.5	6499
Desert SW	61.8	68.3	NIL
SJ Valley	62.8	72.7	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 23/3/2015

Contract	Open	High	Low	Close	Change
May-15	62.59	64.55	62.36	64.05	1.23
Jul-15	63.24	64.80	63.00	64.42	1.02
Oct-15	63.79	64.92	63.79	64.66	0.88
Dec-15	63.87	64.75	63.80	64.55	0.49
Mar-16	64.00	64.55	64.00	64.25	0.26
May-16	64.71	64.75	64.12	64.20	-0.06

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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