

Domestic Fundamentals:

Market Outlook: Cotton market noticed mostly firm tone on Wednesday.

In The News: Cotton exports from India is picking up as the Indian cotton fiber has become cost competitive in International market since February end. According to the officials, Indian cotton is at least 5 cents a pound cheaper than US cotton and 2-3 cents from African cotton. Lower freight expenses due to proximity of importing regions give India leverage over US and Brazil. Demand from China is negligible but India is getting import order from Bangladesh, Pakistan, Turkey, Indonesia and Vietnam, said Anand Poppat an official of Saurashtra Ginners Association.

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	11	783.5	797	781.5	795.5	4796	2086	6537	-60
Spread	Apr-15								
Spot	28.5				--		--		

(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 25 March 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	140	15050	15250	15050	15200	929	-774	3687	-163
Apr-15	160	15380	15540	15350	15500	1634	-81	6129	434
May-15	160	15610	15770	15600	15760	307	-274	2265	103
Jun-15	170	15890	16010	15860	16010	67	-7	398	32
Spread	Mar-15	Apr-15	May-15	Jun-15	--		--		
Spot	--								
Mar-15		-300							
Apr-15			-260						
May-15				-250					
Jun-15									
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(NB: Spread Basis = Spot- Near Month Future)
 * Updated at 5:00 pm on 25 March 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		25-Mar-15	24-Mar-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4100	4100	Unch
Khandwa	Mech-1	NA	4200	-
Khargaon	Mech-1	NA	4200	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4300	4400	-100
Rajkot	B.T. Cotton	NA	4120	-
Patan	B.T. Cotton	4190	4190	Unch
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	4400	4400	Unch
Fazilika	B.T. Cotton	4270	4250	20
Bhiwani	B.T. Cotton	4500	4450	50
Adampur	B.T. Cotton	4395	4365	30
Fatehabad	B.T. Cotton	4400	4370	30
Dabwali	B.T. Cotton	4275	4330	-55
Jind	B.T. Cotton	4356	4356	Unch
Uchana (Jind)	B.T. Cotton	4400	4330	70
Rawatsar (Hanumangarh)	B.T. Cotton	4350	4325	25
Hubli	B.T. Cotton	4053	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	4350	4300	50
	Kapas			
Ahmedabad	Shankar-6	4200	4200	Unch
Gondal	Shankar-6	4105	4105	Unch
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	3850	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4080	4071	9
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	4050	-
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	NA	4050	-
	Lint			
Abohar	J-34	3590	3565	25
Muktsar	J-34	3550	3550	Unch
Fazilika	J-34	3570	3500	70

Bhatinda	J-34	3590	3565	25
Mansa	J-34	3550	3525	25
Sirsa	J-34	3465	3460	5
Sri-Ganganagar	J-34	3149	3149	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		25-Mar-15	24-Mar-15	
Amravati	Mech-1	1500	1200	300
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	15000	15000	Unch
Rajkot	B.T. Cotton	NA	1000	-
Patan	B.T. Cotton	5130	5320	-190
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	150	150	Unch
Muktsar	B.T. Cotton	85	170	-85
Bhiwani	B.T. Cotton	1500	1500	Unch
Adampur	B.T. Cotton	680	850	-170
Fatehabad	B.T. Cotton	500	400	100
Dabwali	B.T. Cotton	550	400	150
Jind	B.T. Cotton	NA	41	-
Uchana (Jind)	B.T. Cotton	750	810	-60
Rawatsar (Hanumangarh)	B.T. Cotton	50	50	Unch
Hubli	B.T. Cotton	40	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	100	NA	-
Ahmedabad	Shankar-6	51000	51000	Unch
Gondal	Shankar-6	933	486	447
Jamner (Jalgaon)	Medium Staple	NA	315	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	2640	1402	1238
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	0.1	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-

Abohar	J-34	340	340	Unch
Bhatinda	J-34	9350	10200	-850
Mansa	J-34	425	425	Unch
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
				24-Mar-15	23-Mar-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31500	31300	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32000	31800	200
J-34(202)	26mm	3.5 - 4.9	23	32400	32200	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	30800	30600	200
Shankar-6(105)	29mm	3.5 - 4.9	28	31300	31100	200
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	41000	Unch

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		25-Mar-15	24-Mar-15	
Rajkot	Rs. /10 Kg.	542	545	-3
New Delhi	Rs. /10 Kg.	535	540	5
Hyderabad	Rs. /10 Kg.	575	580	-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
		25-Mar-15	24-Mar-15	
Mahesana (Kadi)	Rs./Qtl	1628	1647	-19
Akola	Rs./Qtl	1657	1622	35

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 25/3/2015

Index	RMB/Ton	Change
CCIndex(328)	13471	22
CCIndex(527)	12423	5
CCIndex(229)	14149	9

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

Cotlook Index: As on 24/3/2015

Cotlook Indices	Cents/Pound	Change
A-Index	70.65	1.10

USDA Cotton Spot Rates: As on 24/3/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.16	67.41	2412
North Delta	62.66	65.41	31
South Delta	62.66	65.41	NIL
East TX-OK	60.25	62.50	7313
West Texas	60.25	62.50	7463
Desert SW	61.66	68.16	NIL
SJ Valley	62.66	72.56	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 24/3/2015

Contract	Open	High	Low	Close	Change
May-15	64.00	64.40	63.61	63.91	-0.14
Jul-15	64.37	64.76	64.00	64.38	-0.04
Oct-15	64.63	64.8	64.45	64.69	0.03
Dec-15	64.54	64.71	64.31	64.7	0.15
Mar-16	64.25	64.56	64.25	64.55	0.30
May-16	64.42	64.49	64.38	64.49	0.29

Pakistan Cotton Spot rates: As on 24/3/2015 (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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