

Domestic Fundamentals:

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

In The News: Cotton Association of India (CAI) estimated cotton output in country during season 2014-15 to be around 396 lakh bales in its February estimates which was estimated 397 lakh bales in January.

Cotton Corporation of India (CCI) has procured 86 lakh bales of cotton this marketing year so far, a little lower than the record procurement of 89 lakh bales in 2008-09. As cotton arrival is expected to last till May this year, cotton procurement by CCI is likely to breach the record level by the end of season. Around 302 lakh bales of cotton has arrived in domestic market until 24 March 2015, compared to 306 lakh bales year ago during the same period, said CCI.

India exported 1.82 lakh bales of cotton last week (16-22 Mar 2015), which was 1.81 lakh bales previous to last week (09-15 Mar 2015), according to the data released by IBIS. Imports on the other hand stood 0.11 lakh bales last week, which was 0.17 lakh bales previous to last week.

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.

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	2.5	793	808	792.5	800	4496	-300	6206	-331
Spread	Apr-15								
Spot	24				--				--

(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 26 March 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	80	15150	15270	15150	15240	1081	152	3123	-564
Apr-15	60	15430	15550	15430	15530	2227	593	6914	785
May-15	70	15720	15820	15720	15810	603	296	2856	591
Jun-15	50	16010	16060	15990	16020	184	117	562	164
Spread	Mar-15	Apr-15	May-15	Jun-15	--				
Spot	--								
Mar-15		-290							
Apr-15			-280						
May-15				-210					
Jun-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 26 March 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		26-Mar-15	25-Mar-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4100	4100	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4375	4300	75
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	4220	4190	30
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	Closed	Closed	-
Muktsar	B.T. Cotton	4450	4400	50
Fazilika	B.T. Cotton	4300	4270	30
Bhiwani	B.T. Cotton	4500	4500	Unch
Adampur	B.T. Cotton	4415	4395	20
Fatehabad	B.T. Cotton	4420	4400	20
Dabwali	B.T. Cotton	4310	4275	35
Jind	B.T. Cotton	4548	4356	192
Uchana (Jind)	B.T. Cotton	4450	4400	50
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	4350	-
Hubli	B.T. Cotton	NA	4053	-
Hathras	B.T. Cotton(US)	NR	NA	-
Hanumangarh	B.T. Cotton	4350	4350	Unch
	Kapas			
Ahmedabad	Shankar-6	4225	4200	25
Gondal	Shankar-6	Closed	4105	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	3850	NA	-
Hathras	Desi	NR	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4050	4080	-30
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	NA	-
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4050	NA	-
	Lint			
Abohar	J-34	3610	3590	20
Muktsar	J-34	3600	3550	50

Fazilika	J-34	3500	3570	-70
Bhatinda	J-34	3610	3590	20
Mansa	J-34	3570	3550	20
Sirsa	J-34	3510	3465	45
Sri-Ganganagar	J-34	3243	3149	94

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		26-Mar-15	25-Mar-15	
Amravati	Mech-1	1400	1500	-100
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	12500	15000	-2500
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	3158	5130	-1972
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	Closed	Closed	-
Fazilika	B.T. Cotton	50	150	-100
Muktsar	B.T. Cotton	51	85	-34
Bhiwani	B.T. Cotton	1500	1500	Unch
Adampur	B.T. Cotton	680	680	Unch
Fatehabad	B.T. Cotton	250	500	-250
Dabwali	B.T. Cotton	500	550	-50
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	530	750	-220
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	50	-
Hubli	B.T. Cotton	NA	40	-
Hathras	B.T. Cotton(US)	NR	NA	-
Hanumangarh	B.T. Cotton	50	100	-50
Ahmedabad	Shankar-6	42500	51000	-8500
Gondal	Shankar-6	Closed	933	-
Jamner (Jalgaon)	Medium Staple	160	NA	-
Hathras	Desi	NR	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	2677	2640	37
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	8500	9350	-850
Mansa	J-34	255	425	-170
Sirsa	J-34	1020	850	170
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
				25-Mar-15	24-Mar-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31500	31500	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32000	32000	Unch
J-34(202)	26mm	3.5 - 4.9	23	32600	32400	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31000	30800	200
Shankar-6(105)	29mm	3.5 - 4.9	28	31600	31300	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	33600	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	34600	400
DCH-32(107)	34mm	3.0 - 3.8	33	41500	41000	500

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

Centre	Unit	Price		Change
		26-Mar-15	25-Mar-15	
Rajkot	Rs. /10 Kg.	550	542	8
New Delhi	Rs. /10 Kg.	535	535	Unch
Hyderabad	Rs. /10 Kg.	575	575	Unch
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
		26-Mar-15	25-Mar-15	
Mahesana (Kadi)	Rs./Qtl	1685	1628	57
Akola	Rs./Qtl	1647	1657	-10

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 26/3/2015

Index	RMB/Ton	Change
CCIndex(328)	13471	Unch
CCIndex(527)	12413	-10
CCIndex(229)	14149	Unch

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

Cotlook Index: As on 25/3/2015

Cotlook Indices	Cents/Pound	Change
A-Index	70.65	Unch

USDA Cotton Spot Rates: As on 25/3/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.16	66.41	280
North Delta	61.91	64.66	NIL
South Delta	61.91	64.66	NIL
East TX-OK	60.00	62.25	3951
West Texas	60.00	62.25	6909
Desert SW	60.91	67.41	NIL
SJ Valley	61.91	71.81	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 25/3/2015

Contract	Open	High	Low	Close	Change
May-15	63.95	64.09	62.76	63.16	-0.75
Jul-15	64.23	64.49	63.25	63.68	-0.70
Oct-15	64.75	64.75	64.07	64.09	-0.60
Dec-15	64.67	64.79	63.86	64.29	-0.41
Mar-16	63.85	64.26	63.66	64.16	-0.39
May-16	64.3	64.32	64.18	64.18	-0.31

Pakistan Cotton Spot rates: As on 25/3/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5100	150	5250
Equivalent	40 Kgs	5466	160	5626

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