

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Friday.

In The News: The cotton millers are worried due to recent cotton price rise which will disturb the price parity between yarn and cotton. The low demand for cotton yarn in international markets is already keeping the capacity utilization low at 80%. The millers are also concerned about the fact that cotton loses its moisture content in summer, which means four to five percent weight loss. This loss will only be recovered in monsoon, so CCI might not offload the stock before the onset of monsoon.

Textile industry representatives have demanded that textiles should be kept in the lowest tax slab in the goods and services tax (GST) regime.

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.

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	7.5	803.5	816.5	801.5	812	4495	-1	6077	-129
Spread	Apr-15								
Spot	12				--		--		

(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 27 March 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	10	15290	15350	15240	15270	930	-151	2920	-203
Apr-15	10	15540	15640	15530	15570	2070	-157	7190	276
May-15	30	15860	15900	15810	15840	317	-286	3028	172
Jun-15	0	16100	16140	16050	16060	133	-51	660	98
Spread	Mar-15	Apr-15	May-15	Jun-15	--		--		
Spot	--								
Mar-15		-300							
Apr-15			-270						
May-15				-220					
Jun-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 27 March 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		27-Mar-15	26-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	4400	4375	25
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	4220	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	Closed	Closed	-
Muktsar	B.T. Cotton	4400	4450	-50
Fazilika	B.T. Cotton	4370	4300	70
Bhiwani	B.T. Cotton	4550	4500	50
Adampur	B.T. Cotton	4425	4415	10
Fatehabad	B.T. Cotton	4425	4420	5
Dabwali	B.T. Cotton	4100	4310	-210
Jind	B.T. Cotton	4548	4548	Unch
Uchana (Jind)	B.T. Cotton	4530	4450	80
Rawatsar (Hanumangarh)	B.T. Cotton	4380	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NR	-
Hanumangarh	B.T. Cotton	4400	4350	50
	Kapas			
Ahmedabad	Shankar-6	4200	4225	-25
Gondal	Shankar-6	Closed	Closed	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	3850	-
Hathras	Desi	NA	NR	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4100	4050	50
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	4050	Unch
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4050	4050	Unch
	Lint			
Abohar	J-34	3610	3610	Unch
Muktsar	J-34	3570	3600	-30
Fazilika	J-34	3570	3500	70

Bhatinda	J-34	3610	3610	Unch
Mansa	J-34	3600	3570	30
Sirsa	J-34	3520	3510	10
Sri-Ganganagar	J-34	3243	3243	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		27-Mar-15	26-Mar-15	
Amravati	Mech-1	1800	1400	400
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	15000	12500	2500
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	3158	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	Closed	Closed	-
Fazilika	B.T. Cotton	50	50	Unch
Muktsar	B.T. Cotton	34	51	-17
Bhiwani	B.T. Cotton	1300	1500	-200
Adampur	B.T. Cotton	680	680	Unch
Fatehabad	B.T. Cotton	325	250	75
Dabwali	B.T. Cotton	200	500	-300
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	530	530	Unch
Rawatsar (Hanumangarh)	B.T. Cotton	50	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NR	-
Hanumangarh	B.T. Cotton	NA	50	-
Ahmedabad	Shankar-6	59500	42500	17000
Gondal	Shankar-6	Closed	Closed	-
Jamner (Jalgaon)	Medium Staple	NA	160	-
Hathras	Desi	NA	NR	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	2512	2677	-165
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	0.1	0.1	Unch
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-

Abohar	J-34	340	340	Unch
Bhatinda	J-34	7650	8500	-850
Mansa	J-34	340	255	85
Sirsa	J-34	680	1020	-340
Sri-Ganganagar	J-34	680	680	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				26-Mar-15	25-Mar-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31600	31500	100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32100	32000	100
J-34(202)	26mm	3.5 - 4.9	23	32700	32600	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31200	31000	200
Shankar-6(105)	29mm	3.5 - 4.9	28	31800	31600	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34200	34000	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35200	35000	200
DCH-32(107)	34mm	3.0 - 3.8	33	42000	41500	500

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

Centre	Unit	Price		Change
		27-Mar-15	26-Mar-15	
Rajkot	Rs. /10 Kg.	550	550	Unch
New Delhi	Rs. /10 Kg.	540	535	5
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
		27-Mar-15	26-Mar-15	
Mahesana (Kadi)	Rs./Qtl	1653	1685	-32
Akola	Rs./Qtl	1697	1647	50

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 27/3/2015

Index	RMB/Ton	Change
CCIndex(328)	13473	2
CCIndex(527)	12412	-1
CCIndex(229)	14149	Unch

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

Cotlook Index: As on 26/3/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.95	-0.70

USDA Cotton Spot Rates: As on 26/3/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.08	66.33	NIL
North Delta	61.83	64.58	NIL
South Delta	61.83	64.58	NIL
East TX-OK	60.00	62.25	1113
West Texas	60.00	62.25	1266
Desert SW	60.83	67.33	NIL
SJ Valley	61.83	71.73	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 26/3/2015

Contract	Open	High	Low	Close	Change
May-15	63.00	63.48	62.66	63.08	-0.08
Jul-15	63.35	63.92	63.16	63.50	-0.18
Oct-15	63.76	64.15	63.56	63.99	-0.10
Dec-15	64.01	64.40	63.81	64.33	0.04
Mar-16	64.00	64.43	63.80	64.43	0.27
May-16	64.00	64.59	64.00	64.59	0.41

Pakistan Cotton Spot rates: As on 26/3/2015 (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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