

## Domestic Fundamentals:

**Market Outlook:** Cotton market noticed steady to range-bound tone on Saturday.

**In The News:** In northeast Arkansas of USA, farmers are likely to switch towards peanuts instead of cotton on falling market price.

The Cotton Association of India has urged the Cotton Corporation of India, which procures cotton as part of the Government's Minimum Support Price programme, to formulate a policy to offload the stock in the market.

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.

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
		28-Mar-15	27-Mar-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4175	4100	75
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4350	4400	-50
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	Closed	Closed	-
Muktsar	B.T. Cotton	4350	4400	-50
Fazilika	B.T. Cotton	4370	4370	Unch
Bhiwani	B.T. Cotton	4600	4550	50
Adampur	B.T. Cotton	4440	4425	15
Fatehabad	B.T. Cotton	4460	4425	35
Dabwali	B.T. Cotton	4300	4100	200
Jind	B.T. Cotton	NA	4548	-
Uchana (Jind)	B.T. Cotton	4500	4530	-30
Rawatsar (Hanumangarh)	B.T. Cotton	4405	4380	25
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	Closed	NA	-
Hanumangarh	B.T. Cotton	4450	4400	50
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4250	4200	50
Gondal	Shankar-6	Closed	Closed	-
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	Closed	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4080	4100	-20
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	4050	-
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	NA	4050	-
	<b>Lint</b>			
Abohar	J-34	3615	3610	5
Muktsar	J-34	3600	3570	30
Fazilika	J-34	3570	3570	Unch

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

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		28-Mar-15	27-Mar-15	
Amravati	Mech-1	3500	1800	1700
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
Mahesana(Kadi)	B.T. Cotton	12500	15000	-2500
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	Closed	Closed	-
Fazilika	B.T. Cotton	80	50	30
Muktsar	B.T. Cotton	34	34	Unch
Bhiwani	B.T. Cotton	500	1300	-800
Adampur	B.T. Cotton	637.5	680	-42.5
Fatehabad	B.T. Cotton	300	325	-25
Dabwali	B.T. Cotton	1100	200	900
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	500	530	-30
Rawatsar (Hanumangarh)	B.T. Cotton	20	50	-30
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	0	NA	-
Hanumangarh	B.T. Cotton	50	NA	-
Ahmedabad	Shankar-6	59500	59500	Unch
Gondal	Shankar-6	Closed	Closed	-
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	Closed	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1852	2512	-660
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	255	340	<b>-85</b>
Bhatinda	J-34	8500	7650	<b>850</b>
Mansa	J-34	170	340	<b>-170</b>
Sirsa	J-34	510	680	<b>-170</b>
Sri-Ganganagar	J-34	NA	680	<b>-</b>

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				27-Mar-15	26-Mar-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	32300	31600	<b>700</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32800	32100	<b>700</b>
J-34(202)	26mm	3.5 - 4.9	23	32800	32700	<b>100</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31200	31200	<b>Unch</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	31300	31800	<b>-500</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34200	34200	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35200	35200	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	42000	42000	<b>Unch</b>

### Cotton Seed Oil Prices

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

Centre	Unit	Price		Change
		28-Mar-15	27-Mar-15	
Rajkot	Rs. /10 Kg.	545	550	<b>-5</b>
New Delhi	Rs. /10 Kg.	540	540	<b>Unch</b>
Hyderabad	Rs. /10 Kg.	570	575	<b>-5</b>
Mumbai	Rs. /10 Kg.	570	570	<b>Unch</b>

### 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	Closed	1653	<b>-</b>
Akola	Rs./Qtl	Closed	1697	<b>-</b>

### INTERNATIONAL PRICES AND INDICES

#### China Cotton Index: As on 27/3/2015

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

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

#### Cotlook Index: As on 27/3/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.85	<b>-0.1</b>

**USDA Cotton Spot Rates: As on 27/3/2015**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
<b>Southeast</b>	63.55	66.8	<b>NIL</b>
<b>North Delta</b>	62.30	65.05	<b>NIL</b>
<b>South Delta</b>	62.30	65.05	<b>NIL</b>
<b>East TX-OK</b>	60.00	62.25	<b>2085</b>
<b>West Texas</b>	60.00	62.25	<b>1871</b>
<b>Desert SW</b>	61.30	67.8	<b>NIL</b>
<b>SJ Valley</b>	62.30	72.2	<b>NIL</b>

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 27/3/2015**

Contract	Open	High	Low	Close	Change
<b>May-15</b>	62.83	63.94	62.80	63.55	<b>0.47</b>
<b>Jul-15</b>	63.46	64.07	63.21	63.87	<b>0.37</b>
<b>Oct-15</b>	64.18	64.57	64.18	64.39	<b>0.40</b>
<b>Dec-15</b>	64.15	64.90	64.05	64.68	<b>0.35</b>
<b>Mar-16</b>	64.40	64.76	64.15	64.67	<b>0.24</b>
<b>May-16</b>	64.63	64.63	64.59	64.59	<b>Unch</b>

**Pakistan Cotton Spot rates: As on 27/3/2015 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5150	150	5300
Equivalent	40 Kgs	5519	160	5679

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