

Domestic Fundamentals:

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

In The News: India is likely to keep sourcing cotton to International market in the coming month of seasons, as stocks of USA and Brazil have almost sold out their produce. Only 32 lakh bales of cotton have been exported so far against the target of 90 lakh bales. Lower export will hence cause the higher ending stocks this season compared to the previous season.

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.

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:

Cotton exports from Pakistan has fell down by 15% during the initial eight of the current fiscal year (FY15) when compared to the exports in corresponding period last year. According to the market participants Pakistan cotton is unable to capture world market, despite the lower price of their produce.

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	9.5	820	839	820	826.5	5213	718	5500	-577
Spread	Apr-15								
Spot	2.5				--		--		

(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 30 March 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	90	15350	15450	15280	15370	502	-428	2673	-247
Apr-15	90	15580	15760	15560	15660	1954	-116	7799	609
May-15	90	15930	16020	15870	15940	552	235	3272	244
Jun-15	70	16130	16260	16130	16180	317	184	811	151
Jul-15	80	16410	16480	16410	16410	135	--	185	--
Spread	Mar-15	Apr-15	May-15	Jun-15	Jul-15	--			
Spot	--								
Mar-15		-290							
Apr-15			-280						
May-15				-240					
Jun-15					-230				
Jul-15									

(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 30 March 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		30-Mar-15	28-Mar-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4175	-25
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4500	4350	150
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	4325	4350	-25
Fazilika	B.T. Cotton	4315	4370	-55
Bhiwani	B.T. Cotton	4700	4600	100
Adampur	B.T. Cotton	4500	4440	60
Fatehabad	B.T. Cotton	4570	4460	110
Dabwali	B.T. Cotton	4450	4300	150
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4610	4500	110
Rawatsar (Hanumangarh)	B.T. Cotton	4500	4405	95
Hubli	B.T. Cotton	4257	4205	52
Hathras	B.T. Cotton(US)	NA	Closed	-
Hanumangarh	B.T. Cotton	4500	4450	50
	Kapas			
Ahmedabad	Shankar-6	Closed	4250	-
Gondal	Shankar-6	Closed	Closed	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	Closed	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4100	4080	20
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	4050	4050	Unch
	Lint	Rs/Maund (of 37.324 kg each)		
Abohar	J-34	3620	3615	5
Muktsar	J-34	3600	3600	Unch
Fazilika	J-34	3600	3570	30

Bhatinda	J-34	3620	3610	10
Mansa	J-34	3625	3570	55
Sirsa	J-34	3550	3520	30
Sri-Ganganagar	J-34	3243	3243	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		30-Mar-15	28-Mar-15	
Amravati	Mech-1	4600	3500	1100
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
Mahesana(Kadi)	B.T. Cotton	10000	12500	-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	100	80	20
Muktsar	B.T. Cotton	17	34	-17
Bhiwani	B.T. Cotton	500	500	Unch
Adampur	B.T. Cotton	510	638	-128
Fatehabad	B.T. Cotton	125	300	-175
Dabwali	B.T. Cotton	850	1100	-250
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	100	500	-400
Rawatsar (Hanumangarh)	B.T. Cotton	50	20	30
Hubli	B.T. Cotton	94	NA	-
Hathras	B.T. Cotton(US)	NA	Closed	-
Hanumangarh	B.T. Cotton	60	50	10
Ahmedabad	Shankar-6	Closed	59500	-
Gondal	Shankar-6	Closed	Closed	-
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	Closed	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	2467	1852	615
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-

Abohar	J-34	255	255	Unch
Bhatinda	J-34	6800	8500	-1700
Mansa	J-34	170	170	Unch
Sirsa	J-34	340	510	-170
Sri-Ganganagar	J-34	NA	NA	-

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	700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32800	32100	700
J-34(202)	26mm	3.5 - 4.9	23	32800	32700	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31200	31200	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	31300	31800	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34200	34200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35200	35200	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	42000	42000	Unch

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

Centre	Unit	Price		Change
		30-Mar-15	28-Mar-15	
Rajkot	Rs. /10 Kg.	548	545	3
New Delhi	Rs. /10 Kg.	540	540	Unch
Hyderabad	Rs. /10 Kg.	555	570	-15
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
		30-Mar-15	28-Mar-15	
Mahesana (Kadi)	Rs./Qtl	Closed	Closed	-
Akola	Rs./Qtl	1716	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 30/3/2015

Index	RMB/Ton	Change
CCIndex(328)	13475	2
CCIndex(527)	12412	Unch
CCIndex(229)	14149	Unch

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

Cotlook Index: As on 27/3/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.85	-0.1

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
Southeast	63.55	66.8	NIL
North Delta	62.30	65.05	NIL
South Delta	62.30	65.05	NIL
East TX-OK	60.00	62.25	2085
West Texas	60.00	62.25	1871
Desert SW	61.30	67.8	NIL
SJ Valley	62.30	72.2	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 27/3/2015

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

Pakistan Cotton Spot rates: As on 28/3/2015 (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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