

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Tuesday.

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:

USA is expected to lower its cotton acreage this season to 9.428 million acres, -14.6% lower when compared to acreage of 2014 which was 11.037 million acres. The major cotton growing region, Texas is likely to witness a fall of 13.8% in cotton acreage and would plant 5.343 million acres of cotton in 2015, compared to 6.2 million acres previous year, said National Cotton Council (NCC).

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).

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	-10.5	816	818	805	805.5	3749	-1464	5017	-483
Spread	Apr-15								
Spot	18.5				--				--

(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 31 March 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	-130	15310	15340	15170	15200	1685	1183	936	-1737
Apr-15	-140	15520	15580	15410	15420	2825	871	8004	205
May-15	-150	15840	15850	15680	15700	478	-74	3262	-10
Jun-15	-170	16100	16100	15910	15930	309	-8	935	124
Jul-15	-230	16360	16360	16150	16190	112	-23	258	73
Spread	Mar-15	Apr-15	May-15	Jun-15	Jul-15	--			
Spot	--								
Mar-15		-220							
Apr-15			-280						
May-15				-230					
Jun-15					-260				
Jul-15									

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

* Updated at 5:00 pm on 31 March 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		31-Mar-15	30-Mar-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4200	4150	50
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4400	4500	-100
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	4425	4325	100
Fazilika	B.T. Cotton	4325	4315	10
Bhiwani	B.T. Cotton	4650	4700	-50
Adampur	B.T. Cotton	4530	4500	30
Fatehabad	B.T. Cotton	4560	4570	-10
Dabwali	B.T. Cotton	4425	4450	-25
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4535	4610	-75
Rawatsar (Hanumangarh)	B.T. Cotton	4450	4500	-50
Hubli	B.T. Cotton	4250	4257	-7
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	4500	4500	Unch
	Kapas			
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal	Shankar-6	Closed	Closed	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	3850	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4120	4100	20
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	NA	4050	-
	Lint			
Abohar	J-34	3625	3620	5
Muktsar	J-34	3615	3600	15
Fazilika	J-34	3600	3600	Unch

Bhatinda	J-34	3635	3620	15
Mansa	J-34	3625	3625	Unch
Sirsa	J-34	3560	3550	10
Sri-Ganganagar	J-34	Closed	3243	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		31-Mar-15	30-Mar-15	
Amravati	Mech-1	6500	4600	1900
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
Mahesana(Kadi)	B.T. Cotton	15000	10000	5000
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	100	Unch
Muktsar	B.T. Cotton	255	17	238
Bhiwani	B.T. Cotton	150	500	-350
Adampur	B.T. Cotton	425	510	-85
Fatehabad	B.T. Cotton	150	125	25
Dabwali	B.T. Cotton	200	850	-650
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	125	100	25
Rawatsar (Hanumangarh)	B.T. Cotton	30	50	-20
Hubli	B.T. Cotton	24	94	-70
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	60	60	Unch
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal	Shankar-6	Closed	Closed	-
Jamner (Jalgaon)	Medium Staple	70	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	2400	2467	-67
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-

Abohar	J-34	170	255	-85
Bhatinda	J-34	6800	6800	Unch
Mansa	J-34	170	170	Unch
Sirsa	J-34	170	340	-170
Sri-Ganganagar	J-34	Closed	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				30-Mar-15	27-Mar-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33300	32300	1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33800	32800	1000
J-34(202)	26mm	3.5 - 4.9	23	33200	32800	400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32000	31200	800
Shankar-6(105)	29mm	3.5 - 4.9	28	32600	31300	1300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	34200	800
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	35200	800
DCH-32(107)	34mm	3.0 - 3.8	33	42500	42000	500

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

Centre	Unit	Price		Change
		31-Mar-15	30-Mar-15	
Rajkot	Rs. /10 Kg.	547	548	-1
New Delhi	Rs. /10 Kg.	-	540	-
Hyderabad	Rs. /10 Kg.	550	555	-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
		31-Mar-15	30-Mar-15	
Mahesana (Kadi)	Rs./Qtl	Closed	Closed	-
Akola	Rs./Qtl	1726	1716	10

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 31/3/2015

Index	RMB/Ton	Change
CCIndex(328)	13475	Unch
CCIndex(527)	12413	1
CCIndex(229)	14149	Unch

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

Cotlook Index: As on 30/3/2015

Cotlook Indices	Cents/Pound	Change
A-Index	70.35	0.50

USDA Cotton Spot Rates: As on 30/3/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	62.52	65.77	Nil
North Delta	61.27	64.02	Nil
South Delta	61.27	64.02	Nil
East TX-OK	58.75	61.00	516
West Texas	58.75	61.00	1084
Desert SW	60.27	66.77	1100
SJ Valley	61.27	71.17	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 30/3/2015

Contract	Open	High	Low	Close	Change
15-May	63.55	64.18	62.37	62.52	-1.03
15-Jul	63.79	64.34	62.85	63.00	-0.87
15-Oct	64.41	64.60	63.49	63.49	-0.90
15-Dec	64.58	64.85	63.55	63.78	-0.90
16-Mar	64.57	64.82	63.64	63.81	-0.86
16-May	64.73	64.73	63.80	63.95	-0.64

Pakistan Cotton Spot rates: As on 30/3/2015 (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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2015 Indian Agribusiness Systems Pvt. Ltd.