

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Wednesday.

In The News: The Consultative Committee of Cotton Advisory Board (CAB) has revised the cotton production estimates at 390 lakh bales on Tuesday which was earlier estimated 400 bales in October last year, when season commenced. According to the committee cotton production would be 10 lakh bales lesser which was estimated earlier, consumption by textile mills would be around 278.5 lakh bales, export to be around 70 lakh bales and imports would be around 8 lakh bales.

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.

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	-7.5	806	809.5	799	801	2458	-1291	5143	126
Spread	Apr-15								
Spot	23				--		--		

(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 01 April 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 01 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		1-Apr-15	31-Mar-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4200	4200	Unch
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4400	4400	Unch
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	4410	Closed	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	Closed	Closed	-
Muktsar	B.T. Cotton	4500	4425	75
Fazilika	B.T. Cotton	4315	4325	-10
Bhiwani	B.T. Cotton	4600	4650	-50
Adampur	B.T. Cotton	4505	4530	-25
Fatehabad	B.T. Cotton	4540	4560	-20
Dabwali	B.T. Cotton	4375	4425	-50
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4497	4535	-38
Rawatsar (Hanumangarh)	B.T. Cotton	4500	4450	50
Hubli	B.T. Cotton	4250	4250	Unch
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	3850	Unch
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4150	4120	30
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	NA	-
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	NA	NA	-
	Lint			
Abohar	J-34	3625	3625	Unch
Muktsar	J-34	3620	3615	5
Fazilika	J-34	3615	3600	15

Bhatinda	J-34	3625	3635	-10
Sirsa	J-34	3550	3560	-10
Sri-Ganganagar	J-34	3243	Closed	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		1-Apr-15	31-Mar-15	
Amravati	Mech-1	5600	6500	-900
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
Mahesana(Kadi)	B.T. Cotton	10000	15000	-5000
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	971	Closed	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	Closed	Closed	-
Fazilika	B.T. Cotton	100	100	Unch
Muktsar	B.T. Cotton	34	255	-221
Bhiwani	B.T. Cotton	2000	150	1850
Adampur	B.T. Cotton	340	425	-85
Fatehabad	B.T. Cotton	350	150	200
Dabwali	B.T. Cotton	85	200	-115
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	600	125	475
Rawatsar (Hanumangarh)	B.T. Cotton	50	30	20
Hubli	B.T. Cotton	22	24	-2
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	60	-
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal	Shankar-6	Closed	Closed	-
Jamner (Jalgaon)	Medium Staple	50	70	-20
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	2107	2400	-293
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	162	170	-9

Bhatinda	J-34	6800	6800	Unch
Sirsa	J-34	510	170	340
Sri-Ganganagar	J-34	NA	Closed	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				31-Mar-15	30-Mar-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33300	33300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33800	33800	Unch
J-34(202)	26mm	3.5 - 4.9	23	33000	33200	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31800	32000	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	32400	32600	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	35000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	36000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	42500	42500	Unch

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

Centre	Unit	Price		Change
		01-April-15	31-Mar-15	
Rajkot	Rs. /10 Kg.	548	547	1
New Delhi	Rs. /10 Kg.	545	NR	-
Hyderabad	Rs. /10 Kg.	540	550	-10
Mumbai	Rs. /10 Kg.	573	570	3

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

Centre	Unit	Price		Change
		01-April-15	31-Mar-15	
Mahesana (Kadi)	Rs./Qtl	1778	Closed	-
Akola	Rs./Qtl	1726	1726	Unch

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 01/4/2015

Index	RMB/Ton	Change
CCIndex(328)	13473	-2
CCIndex(527)	12410	-1
CCIndex(229)	14148	-1

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

Cotlook Index: As on 31/3/2015		
Cotlook Indices	Cents/Pound	Change
A-Index	69.45	-0.90

USDA Cotton Spot Rates: As on 31/3/2015			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.10	66.35	13
North Delta	61.85	64.60	22
South Delta	61.85	64.60	NIL
East TX-OK	59.25	61.50	408
West Texas	59.25	61.50	2016
Desert SW	60.85	67.35	128
SJ Valley	61.85	71.75	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 31/3/2015					
Contract	Open	High	Low	Close	Change
15-May	62.59	63.94	62.17	63.10	0.58
15-Jul	63.40	64.20	62.58	63.46	0.46
15-Oct	63.42	64.22	63.42	63.98	0.49
15-Dec	63.81	64.95	63.40	64.34	0.56
16-Mar	63.85	65.00	63.77	64.50	0.69
16-May	63.90	64.86	63.90	64.60	0.65

Pakistan Cotton Spot rates: As on 31/3/2015 (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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