

Domestic Fundamentals:

Market Outlook: Cotton market noticed firm tone.

In The News: Pakistan Cotton output May Hits Record high. Pakistan's cotton production surged to a new high of 14.83 million bales (One bale equals 160 kg) during the current production year as the output marginally crosses previous record arrival of crop in a year at the ginning mills. The output is likely to reach 14.94 million bales in the crop year to April 2015.

Vietnam's Cotton Consumption May Slow Down. According to the USDA, the Vietnam's 2013-14 cotton production is estimated at 1,270 metric tonne(mt) or 5.82 thousand bales. And the Vietnam's cotton consumption growth rate is expected to slow down in the marketing year 2015-2016. The slowdown is likely to be triggered by China's reduction of yarn imports on the back of incentives offered by the Chinese government to its spinners who purchase more cotton from Chinese reserves. But cotton imports in 2013-14 have been revised to increase by 32 per cent, reaching 691,400 mt (or 3,171 thousand bales). In 2014, Vietnam imported 757,800 mt of cotton (or 3,476 thousand bales) for a value of \$1.45 billion, a year-on-year increase of 30 per cent in quantity and 24 per cent in value. US cotton accounted for 29 per cent of total imports. Cotton imports will continue to rise in Vietnam to feed the increasing market demand in the current marketing year.

During the initial four months of season, cotton consumption recorded at 1714 million kgs which is 3.5% higher than the consumption during corresponding period last year. Similarly cotton yarn production too remained higher in this year. Cumulative cotton yarn production during the initial four month of the season stood 1368 million kgs around 3.39% higher when compared to corresponding period last year.

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.

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.

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).

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
		4-Apr-15	2-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	Closed	4200	-
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4575	4400	175
Rajkot	B.T. Cotton	Closed	4350	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	Closed	Closed	-
Dhrol	B.T. Cotton	Closed	Closed	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NR	NR	-
Bhiwani	B.T. Cotton	4625	4550	75
Adampur	B.T. Cotton	4500	4430	70
Fatehabad	B.T. Cotton	4515	4480	35
Dabwali	B.T. Cotton	4350	4350	Unch
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4478	4500	-22
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	4425	-
Hubli	B.T. Cotton	4369	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	Closed	4500	-
	Kapas			
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal	Shankar-6	Closed	4305	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	3850	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4200	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	4050	NA	-
	Lint			
Abohar	J-34	3620	3610	10
Muktsar	J-34	3600	3615	-15
Fazilika	J-34	NR	NR	-

Bhatinda	J-34	3625	3610	15
Sirsa	J-34	3530	3515	15
Sri-Ganganagar	J-34	3243	3243	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		4-Apr-15	2-Apr-15	
Amravati	Mech-1	Closed	3500	-
Khandwa	Mech-1	Closed	Closed	-
Khargaon	Mech-1	Closed	Closed	-
Mahesana(Kadi)	B.T. Cotton	5000	12500	-7500
Rajkot	B.T. Cotton	Closed	1400	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	Closed	Closed	-
Dhrol	B.T. Cotton	Closed	Closed	-
Fazilika	B.T. Cotton	NR	NR	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	1000	1000	Unch
Adampur	B.T. Cotton	340	510	-170
Fatehabad	B.T. Cotton	150	250	-100
Dabwali	B.T. Cotton	150	450	-300
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	145	600	-455
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	50	-
Hubli	B.T. Cotton	142	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	Closed	NA	-
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal	Shankar-6	Closed	319	-
Jamner (Jalgaon)	Medium Staple	NA	40	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4492	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	119	170	-51

Bhatinda	J-34	5100	5950	-850
Sirsa	J-34	340	680	-340
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
				03-Apr-15	01-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33200	33200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33700	33700	Unch
J-34(202)	26mm	3.5 - 4.9	23	32900	32900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31600	31600	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	32200	32200	Unch
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
		04-April-15	02-April-15	
Rajkot	Rs. /10 Kg.	565	555	10
New Delhi	Rs. /10 Kg.	NR	Closed	-
Hyderabad	Rs. /10 Kg.	555	550	5
Mumbai	Rs. /10 Kg.	578	575	3

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

Centre	Unit	Price		Change
		04-April-15	02-April-15	
Mahesana (Kadi)	Rs./Qtl	Closed	Closed	-
Akola	Rs./Qtl	Closed	Closed	-

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 03/4/2015

Index	RMB/Ton	Change
CCIndex(328)	13452	-19
CCIndex(527)	12403	-8
CCIndex(229)	14145	Unch

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

Cotlook Index: As on 02/4/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.55	-0.40

USDA Cotton Spot Rates: As on 02/4/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.69	66.94	NIL
North Delta	62.44	65.19	NIL
South Delta	62.44	65.19	NIL
East TX-OK	59.75	62	1519
West Texas	59.75	62	2821
Desert SW	61.44	67.94	NIL
SJ Valley	62.44	72.34	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 03/4/2015

Contract	Open	High	Low	Close	Change
15-May	62.58	63.89	62.58	63.69	1.11
15-Jul	62.95	63.95	62.95	63.80	0.87
15-Oct	63.66	64.38	63.66	64.25	0.77
15-Dec	63.83	64.70	63.81	64.54	0.63
16-Mar	64.40	64.80	64.32	64.73	0.57
16-May	65.00	65.24	64.61	65.18	0.81

Pakistan Cotton Spot rates: As on 03/4/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5200	150	5350
Equivalent	40 Kgs	5573	160	5733

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