

## Domestic Fundamentals:

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

**In The News:** Gujarat has contributed 108 lakh bales of cotton in the country's total production estimates of 390 lakh bales during the season 2014-15 against 370 lakh bales in 2013-14, said CCI. Maharashtra would stand around at 83 lakh bales, Telangana at 57 lakh bales, Karnataka at 30 lakh bales, Andhra Pradesh at 27 lakh bales, Haryana at 25 lakh bales, Rajasthan at 17 lakh bales, Punjab at 14 lakh bales, Tamil Nadu at 5 lakh bales Orissa at 4 lakh bales and others collectively at 2 lakh bales. According to CCI the figures could surge up further as estimates from many areas are still awaited.

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:

China cotton acreage could drop by 20% in the coming season due to change in the government policies which led lower subsidies to the many growers, according to a survey report by China's State Reserves. Cotton acreage in China could fall to 3.4 million hectares in the forthcoming season, 20.1% lower when compared to current season.

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	31	809	835.5	809	834.5	5292	2834	4295	5586
Spread	Apr-15								
Spot	80.5				--		--		

(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 06 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	320	15670	15950	15670	15840	2746	1061	8162	6979
Apr-15	340	15950	16210	15950	16110	1022	-1803	3500	2629
May-15	320	16290	16430	16220	16320	739	261	1428	1502
Jun-15	300	16480	16650	16460	16520	453	144	617	625
Jul-15	--	--	--	--	--	--	-112	--	23
Spread	Mar-15	Apr-15	May-15	Jun-15	Jul-15	--			
Spot	--								
Mar-15		-270							
Apr-15			-210						
May-15				-200					
Jun-15									
Jul-15									

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

\* Updated at 5:00 pm on 06 April 2015

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Market:**

Centre	Variety	Prices		Change
		6-Apr-15	4-Apr-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4350	Closed	-
Khandwa	Mech-1	NA	Closed	-
Khargaon	Mech-1	NA	Closed	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4750	4575	175
Rajkot	B.T. Cotton	4575	Closed	-
Patan	B.T. Cotton	NA	Closed	-
Deesa	B.T. Cotton	NA	Closed	-
Dhrol	B.T. Cotton	4605	Closed	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NR	-
Bhiwani	B.T. Cotton	4650	4625	25
Adampur	B.T. Cotton	4615	4500	115
Fatehabad	B.T. Cotton	4650	4515	135
Dabwali	B.T. Cotton	4440	4350	90
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4539	4478	61
Rawatsar (Hanumangarh)	B.T. Cotton	4480	Closed	-
Hubli	B.T. Cotton	NA	4369	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	4700	Closed	-
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4600	Closed	-
Gondal	Shankar-6	4560	Closed	-
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4300	4200	100
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	NA	-
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4000	4050	-50
	<b>Lint</b>			
Abohar	J-34	3650	3620	30
Muktsar	J-34	3650	3600	50
Fazilika	J-34	3650	NR	-

Bhatinda	J-34	3645	3625	20
Sirsa	J-34	3600	3530	70
Sri-Ganganagar	J-34	3290	3243	47

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		6-Apr-15	4-Apr-15	
Amravati	Mech-1	9700	Closed	-
Khandwa	Mech-1	NA	Closed	-
Khargaon	Mech-1	NA	Closed	-
Mahesana(Kadi)	B.T. Cotton	5000	5000	Unch
Rajkot	B.T. Cotton	2425	Closed	-
Patan	B.T. Cotton	NA	Closed	-
Deesa	B.T. Cotton	NA	Closed	-
Dhrol	B.T. Cotton	221	Closed	-
Fazilika	B.T. Cotton	NA	NR	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	500	1000	-500
Adampur	B.T. Cotton	425	340	85
Fatehabad	B.T. Cotton	100	150	-50
Dabwali	B.T. Cotton	125	150	-25
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	205	145	60
Rawatsar (Hanumangarh)	B.T. Cotton	25	Closed	-
Hubli	B.T. Cotton	NA	142	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	Closed	-
Ahmedabad	Shankar-6	34000	Closed	-
Gondal	Shankar-6	830	Closed	-
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1672	4492	-2820
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	136	119	17

Bhatinda	J-34	4250	5100	<b>-850</b>
Sirsa	J-34	510	340	<b>170</b>
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
				04-Apr-15	03-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	33200	32900	<b>300</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31700	31600	<b>100</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	32300	32200	<b>100</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35100	35000	<b>100</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36100	36000	<b>100</b>
DCH-32(107)	34mm	3.0 - 3.8	33	42600	42500	<b>100</b>

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

Centre	Unit	Price		Change
		06-April-15	04-April-15	
Rajkot	Rs. /10 Kg.	575	565	<b>10</b>
New Delhi	Rs. /10 Kg.	NA	NR	-
Hyderabad	Rs. /10 Kg.	560	555	<b>5</b>
Mumbai	Rs. /10 Kg.	578	578	Unch

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

Centre	Unit	Price		Change
		06-April-15	04-April-15	
Mahesana (Kadi)	Rs./Qtl	1883	Closed	-
Akola	Rs./Qtl	1761	Closed	-

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

Index	RMB/Ton	Change
CCIndex(328)	13452	<b>-19</b>
CCIndex(527)	12403	<b>-8</b>
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	<b>-0.40</b>

**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	<b>1.11</b>
15-Jul	62.95	63.95	62.95	63.80	<b>0.87</b>
15-Oct	63.66	64.38	63.66	64.25	<b>0.77</b>
15-Dec	63.83	64.70	63.81	64.54	<b>0.63</b>
16-Mar	64.40	64.80	64.32	64.73	<b>0.57</b>
16-May	65.00	65.24	64.61	65.18	<b>0.81</b>

**Pakistan Cotton Spot rates: As on 04/4/2015 (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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