

## Domestic Fundamentals:

**Market Outlook:** Cotton market noticed mixed tone on Wednesday.

**In The News:** India exported around 7.35 lakh bales of cotton during March'15 around 10.03% higher when compared to the exports during previous month. Imports on other remained higher this month by 4.2% at 0.74 lakh bales which was 0.71 lakh bales in February. Cotton exports so far (i.e. Oct'14-Mar'15) stood around 55.5% lower Y-o-Y at 39.4 lakh bales which was 88.6 lakh bales during the same period last year. Imports during the current season so far stood 5.62 lakh bales which was 2.89 lakh bales last year.

Textile minister Santosh Gangwar should direct Cotton Corporation of India to immediately commence selling the cotton through the e-auction to actual users with liberal credit norms, said Southern India Mills' Association (SIMA).

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 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.

### 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	-2	841	841	826.5	836.5	3544	-2004	3772	-347
Spread	Apr-15								
Spot	99.5				--		--		

(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 08 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	-20	16110	16160	15980	16100	1307	-306	8192	-77
Apr-15	-10	16350	16420	16240	16360	851	-150	3916	257
May-15	-10	16500	16650	16480	16600	130	-103	1452	-46
Jun-15	30	16730	16850	16700	16820	36	-54	747	41
Jul-15	--	--	--	--	--	--	--	--	--

Spread	Mar-15	Apr-15	May-15	Jun-15	Jul-15	--
Spot	--					
Mar-15		-260				
Apr-15			-240			
May-15				-220		
Jun-15						
Jul-15						

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

\* Updated at 5:00 pm on 08 April 2015

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

Centre	Variety	Prices		Change
		8-Apr-15	7-Apr-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4400	4400	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4680	4825	-145
Patan	B.T. Cotton	4800	4690	110
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NR	4660	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NR	4700	-
Adampur	B.T. Cotton	4715	4725	-10
Fatehabad	B.T. Cotton	4750	4700	50
Dabwali	B.T. Cotton	4700	4550	150
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4630	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	4675	4650	25
Hubli	B.T. Cotton	4209	4369	-160
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4600	4600	Unch
Gondal	Shankar-6	4510	4595	-85
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	NA	NA	Unch
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4400	4400	Unch
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	4000	50
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	4050	4050	Unch
	<b>Lint</b>			
Abohar	J-34	3710	3710	Unch
Muktsar	J-34	3700	3700	Unch
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3720	3710	10
Sirsa	J-34	3660	3650	10
Sri-Ganganagar	J-34	NA	3314	-

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		8-Apr-15	7-Apr-15	
Amravati	Mech-1	12500	11500	1000
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	
Rajkot	B.T. Cotton	3200	2400	800
Patan	B.T. Cotton	3650	3137	513
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NR	154	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NR	500	-
Adampur	B.T. Cotton	510	425	85
Fatehabad	B.T. Cotton	300	100	200
Dabwali	B.T. Cotton	200	80	120
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	300	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	200	50	150
Hubli	B.T. Cotton	34	54	-20
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	42500	42500	Unch
Gondal	Shankar-6	795	696	99
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1860	1702	158
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	0.1	0.1	Unch
Krishna	Un-Ginned	NA	0.1	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	170	119	
Bhatinda	J-34	3400	3400	Unch
Sirsa	J-34	680	170	510
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
				07-Apr-15	06-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33600	33600	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34100	34100	500
J-34(202)	26mm	3.5 - 4.9	23	33700	33700	400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32500	32500	400
Shankar-6(105)	29mm	3.5 - 4.9	28	33100	33100	400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35600	35600	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36400	36400	300
DCH-32(107)	34mm	3.0 - 3.8	33	43200	43200	300

**Cotton Seed Oil Prices**

Centre	Unit	Price		Change
		8-Apr-15	7-Apr-15	
Rajkot	Rs. /10 Kg.	570	580	-10
New Delhi	Rs. /10 Kg.	-	-	-
Hyderabad	Rs. /10 Kg.	560	560	Unch
Mumbai	Rs. /10 Kg.	590	590	Unch

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

Centre	Unit	Price		Change
		8-Apr-15	7-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1876	1886	-10
Akola	Rs./Qtl	1763	1767	-4

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 08/4/2015**

Index	RMB/Ton	Change
CCIndex(328)	13456	-1
CCIndex(527)	12402	-1
CCIndex(229)	14143	-2

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

**Cotlook Index: As on 07/4/2015**

Cotlook Indices	Cents/Pound	Change
A-Index	72.15	2.60

**USDA Cotton Spot Rates: As on 07/4/2015**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.42	69.67	1061
North Delta	65.17	67.92	NIL
South Delta	65.17	67.92	NIL
East TX-OK	62.25	64.5	3648
West Texas	62.25	64.5	6638
Desert SW	64.17	70.67	NIL
SJ Valley	65.17	75.07	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 07/4/2015**

Contract	Open	High	Low	Close	Change
15-May	65.34	66.66	65.17	66.42	1.08
15-Jul	64.84	66.10	64.76	66.06	1.19
15-Oct	65.05	66.02	65.05	66.02	1.03
15-Dec	64.95	65.70	64.77	65.64	0.72
16-Mar	64.70	65.40	64.70	65.31	0.61
16-May	65.31	65.67	65.31	65.67	0.54

**Pakistan Cotton Spot rates: As on 07/4/2015 (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.