

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Thursday.

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:

According to USDA, cotton planting intention in USA is on weaker side this year. Cotton planted area for 2015 is estimated at 9.55 million acres, 13 percent below last year. Upland area is estimated at 9.40 million acres, down 13 percent from 2014. American Pima area is estimated at 150,000 acres, down 22 percent from 2014, said USDA.

Around 2% of cotton planting has been completed in USA as on April 05 this year, which was 6% last year on same date, according to USDA. The current sowing pace is also lower than the five year average (i.e. 2010 to 2014) which was 6 percent.

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.

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	-5	837	839	826.5	832	2137	-3411	3572	-547
Spread	Apr-15								
Spot	84				--		--		

(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 09 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	-110	16100	16130	15940	15990	1169	-444	7872	-397
Apr-15	-100	16380	16380	16180	16250	780	-221	4234	575
May-15	-110	16590	16590	16430	16460	126	-107	1492	-6
Jun-15	-180	16820	16820	16650	16670	62	-28	864	158
Jul-15	--	--	--	--	--	--	--	--	--
Spread	Mar-15	Apr-15	May-15	Jun-15	Jul-15	--			
Spot	--								
Mar-15		-260							
Apr-15			-210						
May-15				-210					
Jun-15									
Jul-15									

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

* Updated at 5:00 pm on 09 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		9-Apr-15	8-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4400	4400	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4580	4680	-100
Patan	B.T. Cotton	4755	4800	-45
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NR	NR	-
Muktsar	B.T. Cotton	4700	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4750	NR	-
Adampur	B.T. Cotton	4685	4715	-30
Fatehabad	B.T. Cotton	4675	4750	-75
Dabwali	B.T. Cotton	4650	4700	-50
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4650	4630	20
Rawatsar (Hanumangarh)	B.T. Cotton	4675	4675	Unch
Hubli	B.T. Cotton	NA	4209	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4600	4600	Unch
Gondal	Shankar-6	4800	4510	290
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4530	4400	130
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	4050	-
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	4050	4050	Unch
	Lint			
Abohar	J-34	3715	3710	5
Muktsar	J-34	3715	3700	15
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3720	3720	Unch
Sirsa	J-34	3650	3660	-10
Sri-Ganganagar	J-34	3314	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		9-Apr-15	8-Apr-15	
Amravati	Mech-1	4200	12500	-8300
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4000	3200	800
Patan	B.T. Cotton	4820	3650	1170
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NR	NR	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	500	NR	-
Adampur	B.T. Cotton	340	510	-170
Fatehabad	B.T. Cotton	250	300	-50
Dabwali	B.T. Cotton	150	200	-50
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	650	300	350
Rawatsar (Hanumangarh)	B.T. Cotton	60	200	-140
Hubli	B.T. Cotton	NA	34	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	34000	42500	-8500
Gondal	Shankar-6	784	795	-11
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1935	1860	75
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	0.1	-
Krishna	Un-Ginned	0.1	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	170	170	Unch
Bhatinda	J-34	4250	3400	850
Sirsa	J-34	680	680	Unch
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
				08-Apr-15	07-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34100	34100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
J-34(202)	26mm	3.5 - 4.9	23	34100	34100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33100	32900	200
Shankar-6(105)	29mm	3.5 - 4.9	28	33500	33500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36000	36000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36700	36700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	44000	43500	500

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		9-Apr-15	8-Apr-15	
Rajkot	Rs. /10 Kg.	565	570	-5
New Delhi	Rs. /10 Kg.	NR	NR	-
Hyderabad	Rs. /10 Kg.	555	560	-5
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
		9-Apr-15	8-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1865	1876	-11
Akola	Rs./Qtl	1762	1763	-1

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 09/4/2015

Index	RMB/Ton	Change
CCIndex(328)	13453	-3
CCIndex(527)	12402	Unch
CCIndex(229)	14140	-3

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

Cotlook Index: As on 08/4/2015

Cotlook Indices	Cents/Pound	Change
A-Index	73.05	0.90

USDA Cotton Spot Rates: As on 08/4/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.73	69.98	170
North Delta	65.48	68.23	3905
South Delta	65.48	68.23	4363
East TX-OK	62.50	64.75	4370
West Texas	62.50	64.75	NIL
Desert SW	64.48	70.98	NIL
SJ Valley	65.48	75.38	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 08/4/2015

Contract	Open	High	Low	Close	Change
15-May	66.42	67.19	66.17	66.73	0.31
15-Jul	66.06	66.70	65.75	66.46	0.40
15-Oct	66.00	66.48	65.86	66.35	0.33
15-Dec	65.64	65.97	65.54	65.97	0.33
16-Mar	65.35	65.6	65.2	65.59	0.28
16-May	65.71	65.96	65.5	65.88	0.21

Pakistan Cotton Spot rates: As on 08/4/2015 (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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