

Domestic Fundamentals:

Market Outlook: Cotton market noticed mixed tone on Monday.

In The News: Confederation of Indian Textile Industry (CITI) has requested union textile minister Santosh Gangwar to direct CCI to offload the procured stocks as it is making the cotton prices to shoot up in domestic market which has led the problems for textile bodies and private traders are taking the speculative benefits of the situation. CCI on other hand said that as there are 25% more arrivals to come and it would soon liquidate the stocks once 90% of the arrival reaches the market. CCI also said while selling the produce, it would focus on the small and medium textile mills.

Cotton Textile Export Promotion Council (Texprocil) has urged government to instruct CCI to release cotton stocks. Texprocil said CCI should release at least 50,000 bales per day for period of 100 days to check the cotton shortage. Cotton textile industry is facing the shortage of cotton supply as the major portion of quality cotton is held back by CCI. Till date CCI has only released 3 lakh bales of cotton out of 86 lakh bales, which it procured during the season. This situation has led the supply shortage to textile mills and steep rise in cotton prices.

According to the USDA's latest WASDE report India is likely to export 849 thousand tones of cotton this season around 7% lower than the estimates of previous month and around 57.87% lower when compared to the actual exports of previous season.

India exported 0.81 lakh bales of cotton last week (30 Mar-05 Apr 2015), which was 1.53 lakh bales previous to last week (22-29 Mar 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.19 lakh bales last week, which was 0.24 lakh bales previous to last week.

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.

International Fundamentals:

World cotton production is estimated slightly lower this month by USDA at 25.95 million tonnes for season 2014-15 which was estimated 25.95 million tones a month ago. Cotton production on global front was 26.221 million tones during season 2013-14, slightly higher than current season.

USDA has revised the USA cotton ending stocks upwardly. According to the April WASDE report by USDA, USA is likely to have ending stocks of around 958 thousand tones by the end of current season around 4.8% higher when compared to the estimates of previous month and around 79.74% higher when compared to the actual ending stocks of 533 thousand tones previous season.

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. 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.

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	-11	822	822	810	814	2075	-166	3514	-319
Spread	Apr-15								
Spot	95				--		--		

(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 13 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-15	-90	15800	15800	15680	15760	1206	-563	7328	-270
Apr-15	-120	16080	16080	15950	16010	973	-17	4871	205
May-15	-120	16290	16300	16190	16250	310	191	1530	11
Jun-15	-110	16510	16510	16400	16470	78	59	910	44
Jul-15	--	--	--	--	--	--	--	--	--
Spread	Mar-15	Apr-15	May-15	Jun-15	Jul-15	--			
Spot	--								
Mar-15		-250							
Apr-15			-240						
May-15				-220					
Jun-15									
Jul-15									

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

* Updated at 5:00 pm on 13 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		13-Apr-15	11-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4500	4500	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4545	4525	20
Patan	B.T. Cotton	4640	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	4600	4600	Unch
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4700	4700	Unch
Adampur	B.T. Cotton	4610	4600	10
Fatehabad	B.T. Cotton	4610	4610	Unch
Dabwali	B.T. Cotton	4600	4610	-10
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4575	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	4600	4650	-50
Hubli	B.T. Cotton	NA	4470	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4500	4600	-100
Gondal	Shankar-6	4515	4595	-80
	Kapas			
Jamner (Jalgaon)	Medium Staple	3850	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4511	4500	11
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	3670	3690	-20
Muktsar	J-34	3675	3680	-5
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3685	3695	-10
Sirsa	J-34	3600	3600	Unch
Sri-Ganganagar	J-34	3337	3290	47

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		13-Apr-15	11-Apr-15	
Amravati	Mech-1	1800	3000	-1200
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	2700	3000	-300
Patan	B.T. Cotton	2830	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	200	500	-300
Adampur	B.T. Cotton	340	340	Unch
Fatehabad	B.T. Cotton	200	300	-100
Dabwali	B.T. Cotton	100	100	Unch
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	300	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	50	100	-50
Hubli	B.T. Cotton	NA	60	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	34000	34000	Unch
Gondal	Shankar-6	629	696	-67
Jamner (Jalgaon)	Medium Staple	8	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	900	1327	-427
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	170	170	Unch
Bhatinda	J-34	3060	3400	-340
Sirsa	J-34	510	680	-170
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
				11-Apr-15	9-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33400	34100	-700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33900	34600	-700
J-34(202)	26mm	3.5 - 4.9	23	33700	34000	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	33100	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	33400	33500	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35900	36000	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36600	36700	-100
DCH-32(107)	34mm	3.0 - 3.8	33	44000	44000	Unch

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

Centre	Unit	Price		Change
		13-Apr-15	11-Apr-15	
Rajkot	Rs. /10 Kg.	570	565	5
New Delhi	Rs. /10 Kg.	NR	NR	-
Hyderabad	Rs. /10 Kg.	560	555	5
Mumbai	Rs. /10 Kg.	585	585	Unch

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

Centre	Unit	Price		Change
		13-Apr-15	11-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1857	Closed	-
Akola	Rs./Qtl	1759	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 13/4/2015		
Index	RMB/Ton	Change
CCIndex(328)	13443	-9
CCIndex(527)	12383	-18
CCIndex(229)	14128	-10
RMB - Renminbi, 1RMB = 0.16 \$U.S.		

Cotlook Index: As on 10/4/2015

Cotlook Indices	Cents/Pound	Change
A-Index	72.85	-0.45

USDA Cotton Spot Rates: As on 10/4/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.06	68.31	723
North Delta	63.81	66.56	Unch
South Delta	63.81	66.56	Unch
East TX-OK	61.00	63.25	115
West Texas	61.00	63.25	1075
Desert SW	62.81	69.31	Unch
SJ Valley	63.81	73.71	Unch

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 10/4/2015

Contract	Open	High	Low	Close	Change
15-May	66.44	66.61	64.81	65.06	-1.16
15-Jul	66.15	66.38	65.01	65.40	-0.73
15-Oct	66.31	66.31	65.15	65.60	-0.54
15-Dec	65.95	65.98	65.05	65.61	-0.35
16-Mar	65.52	65.52	64.60	65.13	-0.44
16-May	65.05	65.44	65.05	65.44	-0.42

Pakistan Cotton Spot rates: As on 11/4/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5250	150	5400
Equivalent	40 Kgs	5626	160	5786

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