

## Domestic Fundamentals:

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

**In The News:** There is no scarcity of cotton in the domestic market, said CCI in the response of demand proposed by the textile industry to immediate release of the stocks procured by CCI. Textile bodies like Texprocil and CITI believes that there has been a supply deficit created due to the record procurement by CCI this season which has lead the fiber price to shoot up and the scarcity of the quality cotton in the market. Whereas CCI believe that due to the bumper production and lesser export availability is still higher, despite the record procurement and there is no supply deficit as such. CCI said it has started selling of the fiber and releases 40,000-50,000 bales a day.

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 releases 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).

### 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
		14-Apr-15	13-Apr-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4550	4500	50
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4505	4545	-40
Patan	B.T. Cotton	4950	4640	310
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	3670	4600	-930
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4650	4700	-50
Adampur	B.T. Cotton	4580	4610	-30
Fatehabad	B.T. Cotton	4615	4610	5
Dabwali	B.T. Cotton	4600	4600	Unch
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4550	4575	-25
Rawatsar (Hanumangarh)	B.T. Cotton	NA	4600	-
Hubli	B.T. Cotton	NA	4369	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	<b>Kapas</b>			
Ahmedabad	Shankar-6	NA	4500	-
Gondal	Shankar-6	4520	4515	5
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	3850	3850	Unch
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	4511	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4000	NA	-
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	NA	4050	-
	<b>Lint</b>			
Abohar	J-34	3675	3670	5
Muktsar	J-34	3670	3675	-5
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3670	3685	-15
Sirsa	J-34	3580	3600	-20
Sri-Ganganagar	J-34	3337	3337	Unch

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		14-Apr-15	13-Apr-15	
Amravati	Mech-1	1200	1800	-600
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	2400	2700	-300
Patan	B.T. Cotton	2860	2830	30
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	200	Unch
Adampur	B.T. Cotton	340	340	Unch
Fatehabad	B.T. Cotton	300	200	100
Dabwali	B.T. Cotton	80	100	-20
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	200	300	-100
Rawatsar (Hanumangarh)	B.T. Cotton	NA	50	-
Hubli	B.T. Cotton	NA	102	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	NA	34000	-
Gondal	Shankar-6	685	629	56
Jamner (Jalgaon)	Medium Staple	8	8	Unch
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	900	-
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	NA	3060	-
Sirsa	J-34	340	510	-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
				13-Apr-15	11-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33200	33400	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33700	33900	-200
J-34(202)	26mm	3.5 - 4.9	23	33700	33700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32900	33000	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	33300	33400	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35900	35900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36600	36600	Unch
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
		14-Apr-15	13-Apr-15	
Rajkot	Rs. /10 Kg.	570	570	Unch
New Delhi	Rs. /10 Kg.	NR	NR	-
Hyderabad	Rs. /10 Kg.	555	560	-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
		14-Apr-15	13-Apr-15	
Mahesana (Kadi)	Rs./Qtl	Closed	Closed	-
Akola	Rs./Qtl	Closed	Closed	-

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 14/4/2015**

Index	RMB/Ton	Change
CCIndex(328)	13443	-10
CCIndex(527)	12383	Unch
CCIndex(229)	14125	-3

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

**Cotlook Index: As on 13/4/2015**

Cotlook Indices	Cents/Pound	Change
A-Index	71.85	-1

**USDA Cotton Spot Rates: As on 13/4/2015**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.13	68.38	Unch
North Delta	63.88	66.63	Unch
South Delta	63.88	66.63	Unch
East TX-OK	61.00	63.25	439
West Texas	61.00	63.25	217
Desert SW	62.88	69.38	Unch
SJ Valley	63.88	73.78	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 13/4/2015**

Contract	Open	High	Low	Close	Change
15-May	65.11	65.70	64.58	65.13	0.07
15-Jul	65.32	65.84	64.95	65.46	0.06
15-Oct	65.14	65.75	65.14	65.69	0.09
15-Dec	65.43	65.79	64.99	65.77	0.16
16-Mar	64.60	65.27	64.60	65.25	0.12
16-May	65.10	65.50	65.10	65.50	0.06

**Pakistan Cotton Spot rates: As on 13/4/2015 (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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