

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mostly weak tone on Wednesday.

In The News: India exported 1.209 lakh bales of cotton last week (06-12 April 2015), which was 0.81 lakh bales previous to last week (30 Mar-05 Apr 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.189 lakh bales last week, which was 0.19 lakh bales previous to last week.

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.

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:

Around 8% of cotton planting has been completed in USA as on April 12 this year, which was 2% last week and 4% last year on same date, according to USDA. The five year average sowing progress is 8% as on date, same as the current sowing pace.

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.

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	1.5	815	825	813	817	1823	-252	3341	-173
Spread	Apr-15								
Spot	88				--				--

(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 15 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	-70	15770	15870	15620	15680	1360	154	6982	-346
May-15	-80	16020	16100	15860	15940	1020	47	4991	120
Jun-15	-70	16240	16320	16110	16160	195	-115	1568	38
Jul-15	-140	16500	16520	16330	16380	135	57	1013	103
Aug-15	--	--	--	--	--	--	--	--	--
Spread	Apr-15	May-15	Jun-15	Jul-15					
Spot	--								
Apr-15		-260							
May-15			-220						
Jun-15				-220					
Jul-15					-220				
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 15 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		15-Apr-15	14-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4500	4550	-50
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4525	4505	20
Patan	B.T. Cotton	4555	4545	10
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4545	NA	-
Muktsar	B.T. Cotton	4520	4550	-30
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NR	4650	-
Adampur	B.T. Cotton	4565	4580	-15
Fatehabad	B.T. Cotton	4560	4615	-55
Dabwali	B.T. Cotton	4550	4600	-50
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4536	4550	-14
Rawatsar (Hanumangarh)	B.T. Cotton	4550	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NR	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4550	NA	-
Gondal	Shankar-6	4505	4520	-15
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	3850	-
Hathras	Desi	NR	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	4000	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4050	NA	-
	Lint			
Abohar	J-34	3665	3675	-10
Muktsar	J-34	3655	3670	-15
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3670	3670	Unch
Sirsa	J-34	3570	3580	-10
Sri-Ganganagar	J-34	3337	3337	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		15-Apr-15	14-Apr-15	
Amravati	Mech-1	1000	1200	-200
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1800	2400	-600
Patan	B.T. Cotton	2827	2130	697
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	104	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NA	200	-
Adampur	B.T. Cotton	340	340	Unch
Fatehabad	B.T. Cotton	325	300	25
Dabwali	B.T. Cotton	NA	80	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	400	200	200
Rawatsar (Hanumangarh)	B.T. Cotton	30	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NR	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	34000	NA	-
Gondal	Shankar-6	566	685	-119
Jamner (Jalgaon)	Medium Staple	NA	8	-
Hathras	Desi	NR	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	NA	-
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	2040	NA	-
Sirsa	J-34	340	340	Unch
Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				14-Apr-15	13-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	33600	33700	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32900	32900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33300	33300	Unch
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
		15-Apr-15	14-Apr-15	
Rajkot	Rs. /10 Kg.	578	570	8
New Delhi	Rs. /10 Kg.	550	NR	-
Hyderabad	Rs. /10 Kg.	560	555	5
Mumbai	Rs. /10 Kg.	587	585	2

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

Centre	Unit	Price		Change
		15-Apr-15	14-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1851	Closed	-
Akola	Rs./Qtl	1753	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 15/4/2015		
Index	RMB/Ton	Change
CCIndex(328)	13427	-6
CCIndex(527)	12372	-11
CCIndex(229)	14117	-8

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

Cotlook Index: As on 14/4/2015		
Cotlook Indices	Cents/Pound	Change
A-Index	71.95	0.10

USDA Cotton Spot Rates: As on 14/4/2015			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.69	67.94	Unch
North Delta	63.44	66.19	Unch
South Delta	63.44	66.19	Unch
East TX-OK	60.50	62.75	19
West Texas	60.50	62.75	560
Desert SW	62.44	68.94	Unch
SJ Valley	63.44	73.34	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 14/4/2015					
Contract	Open	High	Low	Close	Change
15-May	65.13	65.41	64.43	64.69	-0.44
15-Jul	65.41	65.74	64.83	65.02	-0.44
15-Oct	65.64	65.64	65.21	65.21	-0.48
15-Dec	65.55	65.85	65.05	65.27	-0.50
16-Mar	65.10	65.10	64.71	64.79	-0.46
16-May	64.97	64.97	64.97	64.97	-0.53

Pakistan Cotton Spot rates: As on 14/4/2015 (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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