

## Domestic Fundamentals:

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

**In The News:** Around 310 lakh bales of cotton have been pressed so far in the current season, according to Indian Cotton Federation (ICF). CCI has procured around 8.6 million bales of cotton in the ongoing season and off take of cotton from CCI warehouses is noticing a good trend in last few days as mills have actively started buying cotton from CCI. As far as cotton production is concerned, ICF sees current season production at 38.9 million bales and CAB estimates the same at 39 million bales.

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.

### International Fundamentals:

Cotton imports to China have declined by around 40% in the month of March compared to the same month during the previous year. The reason for the same stood strikes at U.S. west coast ports lower limit imposed on imports by Beijing. According to the China Cotton Association (CCA), china imported around 127,900 tones of cotton last month.

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.

### 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	3	807	812	801.5	809.5	1142	146	2992	-378
Spread	Apr-15								
Spot	84.5				--		--		

(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 17 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	140	15370	15530	15330	15510	1245	-144	5890	-736
May-15	140	15630	15770	15570	15750	1116	118	5410	496
Jun-15	140	15820	15990	15800	15990	267	-48	1666	30
Jul-15	130	16040	16200	16020	16200	120	83	1118	98
Aug-15	--	--	--	--	--	--	--	--	--
Spread	Apr-15	May-15	Jun-15	Jul-15	--		--		
Spot	--								
Apr-15		-240							
May-15			-240						
Jun-15				-210					
Jul-15									
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(NB: Spread Basis = Spot- Near Month Future)

\* Updated at 5:00 pm on 17 April 2015

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

Centre	Variety	Prices		Change
		17-Apr-15	16-Apr-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4550	4550	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	4470	4520	-50
Patan	B.T. Cotton	4515	4575	-60
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4525	NA	-
Muktsar	B.T. Cotton	4500	4520	-20
Fazilika	B.T. Cotton	NR	NA	-
Bhiwani	B.T. Cotton	4525	4600	-75
Adampur	B.T. Cotton	4480	4550	-70
Fatehabad	B.T. Cotton	4430	4500	-70
Dabwali	B.T. Cotton	4450	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4490	4450	40
Rawatsar (Hanumangarh)	B.T. Cotton	4450	4550	-100
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4525	4525	Unch
Gondal	Shankar-6	4500	4530	-30
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	3850	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4660	4630	30
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	4050	-
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	4050	4050	Unch
	<b>Lint</b>			
Abohar	J-34	3640	3650	-10
Muktsar	J-34	3645	3655	-10
Fazilika	J-34	NR	NA	-
Bhatinda	J-34	3650	3660	-10
Sirsa	J-34	3540	3560	-20
Sri-Ganganagar	J-34	3314	3337	-24

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		17-Apr-15	16-Apr-15	
Amravati	Mech-1	800	900	-100
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	2200	2050	150
Patan	B.T. Cotton	3975	3692	283
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	169	NA	-
Fazilika	B.T. Cotton	NR	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	500	300	200
Adampur	B.T. Cotton	340	340	Unch
Fatehabad	B.T. Cotton	200	250	-50
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	100	30	70
Rawatsar (Hanumangarh)	B.T. Cotton	50	50	Unch
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	34000	34000	Unch
Gondal	Shankar-6	640	723	-83
Jamner (Jalgaon)	Medium Staple	7	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	997	1012	-15
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	0.1	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	102	170	-68
Bhatinda	J-34	NA	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	Rs. Per Candy	Change
				16-Apr-15	15-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	33300	33400	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32900	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	33100	33300	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35800	35900	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36500	36600	-100
DCH-32(107)	34mm	3.0 - 3.8	33	43900	44000	-100

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

Centre	Unit	Price		Change
		17-Apr-15	16-Apr-15	
Rajkot	Rs. /10 Kg.	572	575	-3
New Delhi	Rs. /10 Kg.	550	550	Unch
Hyderabad	Rs. /10 Kg.	560	555	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
		17-Apr-15	16-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1826	1842	-16
Akola	Rs./Qtl	1734	1741	-7

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 17/4/2015**

Index	RMB/Ton	Change
CCIndex(328)	13415	-5
CCIndex(527)	12368	-2
CCIndex(229)	14105	-5

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

**Cotlook Index: As on 16/4/2015**

Cotlook Indices	Cents/Pound	Change
A-Index	71.55	Unch

**USDA Cotton Spot Rates: As on 16/4/2015**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.01	67.26	NIL
North Delta	62.76	65.51	NIL
South Delta	62.76	65.51	NIL
East TX-OK	60.00	62.25	155
West Texas	60.00	62.25	956
Desert SW	61.76	68.26	NIL
SJ Valley	62.76	72.66	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 16/4/2015**

Contract	Open	High	Low	Close	Change
15-May	64.72	64.93	63.47	64.01	-0.58
15-Jul	65.17	65.35	63.83	64.58	-0.42
15-Oct	64.86	64.94	64.12	64.59	-0.54
15-Dec	65.17	65.29	64.05	64.62	-0.44
16-Mar	64.83	64.99	63.81	64.28	-0.45
16-May	65.18	65.26	64.36	64.66	-0.42

**Pakistan Cotton Spot rates: As on 16/4/2015 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5300	150	5450
Equivalent	40 Kgs	5680	160	5840

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