

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mixed tone on Saturday.

In The News: The monsoon this year would be normal this season, said skymet. According to skymet all India rainfall during the period of June to September this year would be around 102% of 89 centimeter (35 inches) which is the 50 year average rainfall. The overall normal rainfall in the country would be potentially helping crops like rice, sugar and cotton, said skymet.

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.

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
		18-Apr-15	17-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	Closed	4550	-
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4520	4470	50
Patan	B.T. Cotton	4530	4515	15
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4545	4525	20
Muktsar	B.T. Cotton	4500	4500	Unch
Fazilika	B.T. Cotton	NR	NR	-
Bhiwani	B.T. Cotton	4525	4525	Unch
Adampur	B.T. Cotton	4375	4480	-105
Fatehabad	B.T. Cotton	4430	4430	Unch
Dabwali	B.T. Cotton	4500	4450	50
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4465	4490	-25
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	4450	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4550	4525	25
Gondal	Shankar-6	4540	4500	40
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	3850	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	4660	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	4050	-
	Lint	Rs/Maund (of 37.32 kg each)		
Abohar	J-34	3630	3640	-10
Muktsar	J-34	3625	3645	-20
Fazilika	J-34	NR	NR	-
Bhatinda	J-34	3640	3650	-10
Sirsa	J-34	3540	3540	Unch
Sri-Ganganagar	J-34	3314	3314	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		18-Apr-15	17-Apr-15	
Amravati	Mech-1	Closed	800	-
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1650	2200	-550
Patan	B.T. Cotton	3070	3975	-905
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	104	169	-65
Fazilika	B.T. Cotton	NR	NR	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	500	500	Unch
Adampur	B.T. Cotton	255	340	-85
Fatehabad	B.T. Cotton	150	200	-50
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	50	100	-50
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	50	-
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	900	640	260
Jamner (Jalgaon)	Medium Staple	NA	7	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	997	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	0.1	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	85	102	-17
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	Rs. Per Candy	Change
				17-Apr-15	16-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33300	33200	100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33800	33700	100
J-34(202)	26mm	3.5 - 4.9	23	33100	33300	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32600	32800	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	33000	33100	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35600	35800	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36300	36500	-200
DCH-32(107)	34mm	3.0 - 3.8	33	43700	43900	-200

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

Centre	Unit	Price		Change
		18-Apr-15	17-Apr-15	
Rajkot	Rs. /10 Kg.	577	572	5
New Delhi	Rs. /10 Kg.	550	550	Unch
Hyderabad	Rs. /10 Kg.	560	560	Unch
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
		18-Apr-15	17-Apr-15	
Mahesana (Kadi)	Rs./Qtl	Closed	1826	-
Akola	Rs./Qtl	Closed	1734	-

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 17/4/2015

Cotlook Indices	Cents/Pound	Change
A-Index	71.15	-0.40

USDA Cotton Spot Rates: As on 17/4/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.29	66.54	NIL
North Delta	61.79	64.54	NIL
South Delta	61.79	64.54	NIL
East TX-OK	60.00	62.25	295
West Texas	60.00	62.25	319
Desert SW	61.04	67.54	NIL
SJ Valley	62.04	71.94	88

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 17/4/2015

Contract	Open	High	Low	Close	Change
15-May	64.36	64.40	63.16	63.29	-0.72
15-Jul	64.94	64.96	63.26	63.29	-1.29
15-Oct	64.40	64.40	63.40	63.43	-1.16
15-Dec	64.60	64.93	63.54	63.64	-0.98
16-Mar	64.08	64.08	63.37	63.59	-0.69
16-May	64.10	64.16	64.00	64.03	-0.63

Pakistan Cotton Spot rates: As on 17/4/2015 (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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