

Domestic Fundamentals:

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

In The News: According to the latest updates by ICAC, cotton production in India during the season 2015/16 would be around 6.45 million tons (379 lakh bales approx.) around 4.44% lower when compared to the production of the current year which would stand around 6.75 million tones (397 lakh bales approx.)

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	-1	811.5	813	807.5	808	652	-490	2814	-178
Spread	Apr-15								
Spot	90				--		--		

(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 20 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	110	15350	15490	15350	15450	634	-611	5497	-393
May-15	90	15580	15720	15580	15690	440	-676	5440	30
Jun-15	40	15880	15940	15820	15910	136	-131	1682	16
Jul-15	10	16100	16140	16030	16110	121	1	1182	64
Aug-15	--	--	--	--	--	--	--	--	--
Spread	Apr-15	May-15	Jun-15	Jul-15	--		--		
Spot	--								
Apr-15		-240							
May-15			-220						
Jun-15				-200					
Jul-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 20 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		20-Apr-15	18-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4550	Closed	-
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4490	4520	-30
Patan	B.T. Cotton	4465	4530	-65
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	4545	-
Muktsar	B.T. Cotton	4420	4500	-80
Fazilika	B.T. Cotton	NR	NR	-
Bhiwani	B.T. Cotton	4450	4525	-75
Adampur	B.T. Cotton	4515	4375	140
Fatehabad	B.T. Cotton	4500	4430	70
Dabwali	B.T. Cotton	4525	4500	25
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4490	4465	25
Rawatsar (Hanumangarh)	B.T. Cotton	4400	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4550	4550	Unch
Gondal	Shankar-6	4540	4540	Unch
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4650	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	4050	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4000	NA	-
	Lint	Rs./Maund (of 37.32 kgs each)		
Abohar	J-34	3650	3630	20
Muktsar	J-34	3615	3625	-10
Fazilika	J-34	NR	NR	-
Bhatinda	J-34	3640	3640	Unch
Sirsa	J-34	3540	3540	Unch
Sri-Ganganagar	J-34	3314	3314	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		20-Apr-15	18-Apr-15	
Amravati	Mech-1	600	Closed	-
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1450	1650	-200
Patan	B.T. Cotton	2180	3070	-890
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	104	-
Fazilika	B.T. Cotton	NR	NR	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	500	500	Unch
Adampur	B.T. Cotton	NA	255	-
Fatehabad	B.T. Cotton	NA	150	-
Dabwali	B.T. Cotton	150	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	50	-
Rawatsar (Hanumangarh)	B.T. Cotton	40	Closed	-
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	504	900	-396
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	2692	NA	-
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	170	85	85
Bhatinda	J-34	1190	2040	-850
Sirsa	J-34	255	340	-85
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
				18-Apr-15	17-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33300	33300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33800	33800	Unch
J-34(202)	26mm	3.5 - 4.9	23	33000	33100	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32500	32600	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	33000	33000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35600	35600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36300	36300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	43700	43700	Unch

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

Centre	Unit	Price		Change
		20-Apr-15	18-Apr-15	
Rajkot	Rs. /10 Kg.	575	577	-2
New Delhi	Rs. /10 Kg.	550	550	Unch
Hyderabad	Rs. /10 Kg.	565	560	5
Mumbai	Rs. /10 Kg.	588	590	-2

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

Centre	Unit	Price		Change
		20-Apr-15	18-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1859	Closed	-
Akola	Rs./Qtl	1752	Closed	-

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 20/4/2015

Index	RMB/Ton	Change
CCIndex(328)	13409	-6
CCIndex(527)	12356	-12
CCIndex(229)	14098	-7

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 18/4/2015 (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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