

Domestic Fundamentals:

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

In The News: Cotton exports from India is expected to stand around 7 million bales around 29.2% lower when compared to 9.9 million bales last year, said Cotton Corporation of India (CCI). India has exported around 4.5 million bales so far during the season current season (Oct-14 to Sept-15). The cotton exports have tumbled down because of higher stocks on global front and lower demand from China.

Cotton Corporation of India (CCI) has suspended the cotton procurement for a while as cotton prices have moved up in the recent days in domestic market due to the strong demand arriving from the mills. As cotton prices are ruling higher, there is no need to Intervene, said CCI. Besides the huge demand from textile bodies, CCI is not willing to offload the stock in the domestic market as could worsen the glut like situation and also CCI is expected to take a decision regarding the sale of cotton by floating global tender.

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.

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	0	794.5	803	793	796	955	303	2569	-245
Spread	Apr-15								
Spot	102				--		--		

(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 21 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	10	15430	15480	15390	15400	579	-55	5325	-172
May-15	10	15630	15700	15620	15620	578	138	5367	-73
Jun-15	10	15840	15910	15840	15850	79	-57	1721	39
Jul-15	40	16110	16110	16060	16110	89	-32	1245	63
Aug-15	--	--	--	--	--	--	--	--	--
Spread	Apr-15	May-15	Jun-15	Jul-15	--		--		
Spot	--								
Apr-15		-220							
May-15			-230						
Jun-15				-260					
Jul-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 21 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		21-Apr-15	20-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4600	4550	50
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	NA	4490	-
Patan	B.T. Cotton	Closed	4465	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4410	NA	-
Muktsar	B.T. Cotton	4430	4420	10
Fazilika	B.T. Cotton	NR	NR	-
Bhiwani	B.T. Cotton	4600	4450	150
Adampur	B.T. Cotton	NA	4515	-
Fatehabad	B.T. Cotton	4410	4500	-90
Dabwali	B.T. Cotton	4500	4525	-25
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	4490	-
Rawatsar (Hanumangarh)	B.T. Cotton	4400	4400	Unch
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	NR	4550	-
Gondal	Shankar-6	4545	4540	5
	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	NA	4650	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	4050	4000	50
	Lint	Rs/Maund (of 37.32 Kgs each)		
Abohar	J-34	3670	3650	20
Muktsar	J-34	3625	3615	10
Fazilika	J-34	NR	NR	-
Bhatinda	J-34	3655	3640	15
Sirsa	J-34	3550	3540	10
Sri-Ganganagar	J-34	3337	3314	23

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		21-Apr-15	20-Apr-15	
Amravati	Mech-1	450	600	-150
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	NA	1450	-
Patan	B.T. Cotton	Closed	2180	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	58	NA	-
Fazilika	B.T. Cotton	NR	NR	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	200	500	-300
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	50	NA	-
Dabwali	B.T. Cotton	NA	150	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	30	40	-10
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	NR	34000	-
Gondal	Shankar-6	631	504	127
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	2692	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	119	170	-51
Bhatinda	J-34	NA	1190	-
Sirsa	J-34	170	255	-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
				20-Apr-15	18-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	32800	33300	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	33300	33800	-500
J-34(202)	26mm	3.5 - 4.9	23	33100	33000	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32700	32500	200
Shankar-6(105)	29mm	3.5 - 4.9	28	33200	33000	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35400	35600	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36200	36300	-100
DCH-32(107)	34mm	3.0 - 3.8	33	44000	43700	300

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

Centre	Unit	Price		Change
		21-Apr-15	20-Apr-15	
Rajkot	Rs. /10 Kg.	580	575	5
New Delhi	Rs. /10 Kg.	550	550	Unch
Hyderabad	Rs. /10 Kg.	570	565	5
Mumbai	Rs. /10 Kg.	588	588	Unch

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

Centre	Unit	Price		Change
		21-Apr-15	20-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1843	1859	-16
Akola	Rs./Qtl	1757	1752	5

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 21/4/2015

Index	RMB/Ton	Change
CCIndex(328)	13398	-11
CCIndex(527)	12355	-1
CCIndex(229)	14093	-5

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

Cotlook Index: As on 20/4/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.95	-1.20

USDA Cotton Spot Rates: As on 20/4/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.39	66.64	13
North Delta	61.89	64.64	NIL
South Delta	61.89	64.64	NIL
East TX-OK	60.00	62.25	NIL
West Texas	60.00	62.25	200
Desert SW	61.14	67.64	NIL
SJ Valley	62.14	72.04	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 20/4/2015

Contract	Open	High	Low	Close	Change
15-May	63.30	63.71	62.72	63.04	-0.25
15-Jul	63.42	63.79	62.96	63.39	0.10
15-Oct	63.49	63.81	63.00	63.37	-0.06
15-Dec	63.70	63.90	63.10	63.51	-0.13
16-Mar	63.64	63.64	63.16	63.59	Unch
16-May	63.55	64.05	63.49	64.05	0.02

Pakistan Cotton Spot rates: As on 20/4/2015 (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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