

Domestic Fundamentals:

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

In The News: India exported 1.040 lakh bales of cotton last week (13-19 April 2015), which was 1.209 lakh bales previous to last week (06-12 April 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.089 lakh bales last week, which was 0.189 lakh bales previous to last week.

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.

International Fundamentals:

Around 9% of cotton planting has been completed in USA as on April 19 this year, which was 4% last week and 8% last year on same date, according to USDA. The five year average sowing progress is 11% as on date, same as the current sowing pace.

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.

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 in near term.

NCDEX Kapas Futures*: (Prices in Rs/20kg)

| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
|----------|--------|-------|-------|-------|-------|--------|--------|------|--------|
| Apr-15 | 8 | 797.5 | 808.5 | 796.5 | 804.5 | 799 | -156 | 2397 | -172 |
| | | | | | | | | | |
| Spread | Apr-15 | | | | | | | | |
| Spot | 94.5 | | | | -- | | -- | | |

(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 22 April 2015

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

| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
|----------|--------|--------|--------|--------|-------|--------|--------|------|--------|
| Apr-15 | 280 | 15460 | 15720 | 15430 | 15710 | 1380 | 801 | 4773 | -552 |
| May-15 | 290 | 15680 | 15950 | 15670 | 15940 | 1553 | 975 | 5535 | 168 |
| Jun-15 | 250 | 15900 | 16160 | 15890 | 16140 | 304 | 225 | 1786 | 65 |
| Jul-15 | 210 | 16100 | 16350 | 16090 | 16320 | 301 | 212 | 1414 | 169 |
| Aug-15 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | | | | | | | | | |
| Spread | Apr-15 | May-15 | Jun-15 | Jul-15 | -- | | -- | | |
| Spot | -- | | | | | | | | |
| Apr-15 | | -230 | | | | | | | |
| May-15 | | | -200 | | | | | | |
| Jun-15 | | | | -180 | | | | | |
| Jul-15 | | | | | | | | | |
| -- | | | | | | | | | |

(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 22 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

| Centre | Variety | Prices | | Change |
|------------------------|-----------------|--------------------------------------|-----------|--------|
| | | 22-Apr-15 | 21-Apr-15 | |
| | Kapas | (Rs./Qtl) | | |
| Amravati | Mech-1 | 4600 | 4600 | Unch |
| Khandwa | Mech-1 | NA | NA | - |
| Khargaon | Mech-1 | NA | NA | - |
| | Kapas | | | |
| Mahesana(Kadi) | B.T. Cotton | NA | NA | - |
| Rajkot | B.T. Cotton | 4495 | NA | - |
| Patan | B.T. Cotton | 4425 | Closed | - |
| Deesa | B.T. Cotton | NA | NA | - |
| Dhrol | B.T. Cotton | 4525 | 4410 | 115 |
| Muktsar | B.T. Cotton | NA | 4430 | - |
| Fazilika | B.T. Cotton | NR | NR | - |
| Bhiwani | B.T. Cotton | 4550 | 4600 | -50 |
| Adampur | B.T. Cotton | NA | NA | - |
| Fatehabad | B.T. Cotton | NA | 4410 | - |
| Dabwali | B.T. Cotton | 4450 | 4500 | -50 |
| Jind | B.T. Cotton | NA | NA | - |
| Uchana (Jind) | B.T. Cotton | NA | NA | - |
| 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 | NR | - |
| Gondal | Shankar-6 | 4545 | 4545 | 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 | NA | NA | - |
| Guntur | Un-Ginned | NA | NA | - |
| Kurnool | Un-Ginned | NA | NA | - |
| Krishna | Un-Ginned | 4050 | 4050 | Unch |
| East Godavari | Un-Ginned | 4050 | 4050 | Unch |
| | Lint | Rs/Maund (of 37.32 Kgs. each) | | |
| Abohar | J-34 | 3665 | 3670 | -5 |
| Muktsar | J-34 | 3650 | 3625 | 25 |
| Fazilika | J-34 | NR | NR | - |
| Bhatinda | J-34 | 3675 | 3655 | 20 |
| Sirsa | J-34 | 3580 | 3550 | 30 |
| Sri-Ganganagar | J-34 | 3337 | 3337 | Unch |

Cotton Arrivals in Key Centers:

| Centre | Variety | Arrivals (Qtl) | | Change |
|------------------------|-----------------|----------------|-----------|--------|
| | | 22-Apr-15 | 21-Apr-15 | |
| Amravati | Mech-1 | 350 | 450 | -100 |
| Khandwa | Mech-1 | NA | NA | - |
| Khargaan | Mech-1 | NA | NA | - |
| | | | | |
| Mahesana(Kadi) | B.T. Cotton | NA | NA | - |
| Rajkot | B.T. Cotton | 1850 | NA | - |
| Patan | B.T. Cotton | 495 | Closed | - |
| Deesa | B.T. Cotton | NA | NA | - |
| Dhrol | B.T. Cotton | 46 | 58 | -12 |
| Fazilika | B.T. Cotton | NR | NR | - |
| Muktsar | B.T. Cotton | NA | NA | - |
| Bhiwani | B.T. Cotton | 200 | 200 | Unch |
| Adampur | B.T. Cotton | NA | NA | - |
| Fatehabad | B.T. Cotton | NA | 50 | - |
| Dabwali | B.T. Cotton | 30 | NA | - |
| Jind | B.T. Cotton | NA | NA | - |
| Uchana (Jind) | B.T. Cotton | NA | NA | - |
| Rawatsar (Hanumangarh) | B.T. Cotton | 20 | 30 | -10 |
| Hubli | B.T. Cotton | NA | NA | - |
| Hathras | B.T. Cotton(US) | NA | NA | - |
| Hanumangarh | B.T. Cotton | NA | NA | - |
| | | | | |
| Ahmedabad | Shankar-6 | NR | NR | - |
| Gondal | Shankar-6 | 647 | 631 | 16 |
| | | | | |
| 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 | 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 | 102 | 119 | -17 |
| Bhatinda | J-34 | NA | NA | - |
| Sirsa | J-34 | 170 | 170 | 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 |
|---------------------------------------|------------|------------|------------------|------------------|------------------|--------|
| | | | | 21-Apr-15 | 20-Apr-15 | |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0 | 15 | 33000 | 32800 | 200 |
| Bengal Deshi (SG)(201) | Below 22mm | 5.0 - 7.0 | 15 | 33500 | 33300 | 200 |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 33200 | 33100 | 100 |
| H-4/ MECH-1(105) | 28mm | 3.5 - 4.9 | 27 | 32700 | 32700 | Unch |
| Shankar-6(105) | 29mm | 3.5 - 4.9 | 28 | 33200 | 33200 | Unch |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 35400 | 35400 | Unch |
| MCU-5/ Surabhi(106) | 32mm | 3.3 - 4.9 | 31 | 36200 | 36200 | 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 |
|-----------|-------------|-----------|-----------|--------|
| | | 22-Apr-15 | 21-Apr-15 | |
| Rajkot | Rs. /10 Kg. | 575 | 580 | -5 |
| New Delhi | Rs. /10 Kg. | 550 | 550 | Unch |
| Hyderabad | Rs. /10 Kg. | 565 | 570 | -5 |
| Mumbai | Rs. /10 Kg. | 595 | 588 | 7 |

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

| Centre | Unit | Price | | Change |
|-----------------|---------|-----------|-----------|--------|
| | | 22-Apr-15 | 21-Apr-15 | |
| Mahesana (Kadi) | Rs./Qtl | 1840 | 1843 | -3 |
| Akola | Rs./Qtl | 1758 | 1757 | 1 |

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 22/4/2015

| Index | RMB/Ton | Change |
|--------------|---------|--------|
| CCIndex(328) | 13399 | 1 |
| CCIndex(527) | 12350 | -5 |
| CCIndex(229) | 14093 | Unch |

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

Cotlook Index: As on 21/4/2015

| Cotlook Indices | Cents/Pound | Change |
|-----------------|-------------|--------|
| A-Index | 70.05 | 0.10 |

USDA Cotton Spot Rates: As on 21/4/2015

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|---------------------|---------------------|----------|
| | cents/lb. | | bales |
| Southeast | 62.99 | 66.24 | NIL |
| North Delta | 61.49 | 64.24 | NIL |
| South Delta | 61.49 | 64.24 | NIL |
| East TX-OK | 59.50 | 61.75 | 1 |
| West Texas | 59.50 | 61.75 | 2184 |
| Desert SW | 60.74 | 67.24 | NIL |
| SJ Valley | 61.74 | 71.64 | 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 21/4/2015

| Contract | Open | High | Low | Close | Change |
|----------|-------|-------|-------|-------|--------|
| 15-May | 63.10 | 63.11 | 62.51 | 62.63 | -0.41 |
| 15-Jul | 63.14 | 63.48 | 62.86 | 62.99 | -0.40 |
| 15-Oct | 63.13 | 63.13 | 62.93 | 63.05 | -0.32 |
| 15-Dec | 63.50 | 63.69 | 63.27 | 63.45 | -0.06 |
| 16-Mar | 63.59 | 63.90 | 63.39 | 63.73 | 0.14 |
| 16-May | 63.90 | 64.25 | 63.90 | 64.24 | 0.19 |

Pakistan Cotton Spot rates: As on 21/4/2015 (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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