

## Domestic Fundamentals:

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

**In The News:** Cotton production in the country during the season 2014/15 would stand around 390 lakh bales which was estimated 400 lakh bales earlier. Untimely Rain and Hailstorm has affected the crop condition of many crop including cotton. Seeing the current situation, Textiles Minister Santosh Kumar Gangwar said that the cotton output in the country would be around 390 lakh bales against the earlier expectation of 400 lakh bales.

Indian Meteorological Department (IMD), in its first forecast for year 2015 has predicted a below normal monsoon for the country. An El Nino condition has been established in the Pacific Ocean but the intensity has not been predicted yet. The situation of El Nino could lead India, Bangladesh and South Asian countries to notice dry spells during the monsoon. Crops like rice, sugar and cotton could get affected following the situation.

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.

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.

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 led 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.

### International Fundamentals:

Cotton future price at ICE gained nearly 4%, around three year high in term of percentage, on Thursday. Following the government report which is showing a surge in overseas demand for US cotton, price of cotton at ICE of most active July contract surged up by around 4% or 2.53 cents at 65.45 cents a pound, the highest close two weeks. In the terms of percentage, it was the largest gain since August 3, 2012 when prices noticed a gain of 4.2%, said Wall Street Journal.

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.

### 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	2	805	809	804	806	216	-231	2119	-243
Spread	Apr-15								
Spot	111				--		--		

(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 24 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	140	15850	15970	15850	15960	881	234	3764	-686
May-15	140	16080	16200	16080	16200	1112	307	5956	210
Jun-15	140	16300	16370	16280	16370	272	98	1956	79
Jul-15	100	16480	16540	16460	16540	181	101	1492	37
Aug-15	--	--	--	--	--	--	--	--	--
Spread	Apr-15	May-15	Jun-15	Jul-15	--		--		
Spot	--								
Apr-15		-240							
May-15			-170						
Jun-15				-170					
Jul-15									
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(NB: Spread Basis = Spot- Near Month Future)

\* Updated at 5:00 pm on 24 April 2015

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

Centre	Variety	Prices		Change
		24-Apr-15	23-Apr-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4600	4600	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	4585	4515	70
Patan	B.T. Cotton	4545	4560	-15
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NR	NR	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NR	-
Bhiwani	B.T. Cotton	4550	4550	Unch
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	4450	4430	20
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	4475	4450	25
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	4550	4550	Unch
Gondal	Shankar-6	4550	4530	20
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4600	4580	20
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	4050	Unch
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	NA	NA	-
	<b>Lint</b>	<b>Rs/Maund (of 37.324 kg each)</b>		
Abohar	J-34	3705	3675	30
Muktsar	J-34	3700	3660	40
Fazilika	J-34	4725	NR	-
Bhatinda	J-34	3715	3680	35
Sirsa	J-34	3630	3650	-20
Sri-Ganganagar	J-34	3384	3361	24

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		24-Apr-15	23-Apr-15	
Amravati	Mech-1	200	250	-50
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1200	1300	-100
Patan	B.T. Cotton	2721	1562	1159
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NR	NR	-
Fazilika	B.T. Cotton	NA	NR	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	200	100	100
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	NA	50	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	30	30	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	709	881	-172
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	930	877	53
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	1	1	Unch
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	85	85	Unch
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	85	170	-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
				23-Apr-15	22-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	33700	33400	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32900	32800	100
Shankar-6(105)	29mm	3.5 - 4.9	28	33500	33300	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35700	35400	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36500	36200	300
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45000	500

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

Centre	Unit	Price		Change
		24-Apr-15	23-Apr-15	
Rajkot	Rs. /10 Kg.	585	575	10
New Delhi	Rs. /10 Kg.	570	560	10
Hyderabad	Rs. /10 Kg.	570	570	Unch
Mumbai	Rs. /10 Kg.	600	592	8

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

Centre	Unit	Price		Change
		24-Apr-15	23-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1854	1843	11
Akola	Rs./Qtl	1779	1756	23

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 24/4/2015**

Index	RMB/Ton	Change
CCIndex(328)	13391	-1
CCIndex(527)	12348	Unch
CCIndex(229)	14086	-5

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

**Cotlook Index: As on 23/4/2015**

Cotlook Indices	Cents/Pound	Change
A-Index	69.75	Unch

**USDA Cotton Spot Rates: As on 23/4/2015**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
<b>Southeast</b>	65.45	68.70	<b>23</b>
<b>North Delta</b>	63.95	66.70	<b>NIL</b>
<b>South Delta</b>	63.95	66.70	<b>NIL</b>
<b>East TX-OK</b>	62.00	64.25	<b>NIL</b>
<b>West Texas</b>	62.00	64.25	<b>1950</b>
<b>Desert SW</b>	63.20	69.70	<b>NIL</b>
<b>SJ Valley</b>	64.20	74.10	<b>NIL</b>

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 23/4/2015**

Contract	Open	High	Low	Close	Change
<b>15-May</b>	62.51	65.49	62.35	64.59	<b>2.10</b>
<b>15-Jul</b>	62.78	65.71	62.70	65.45	<b>2.53</b>
<b>15-Oct</b>	64.02	65.11	64.02	65.11	<b>1.88</b>
<b>15-Dec</b>	63.57	65.42	63.44	65.14	<b>1.51</b>
<b>16-Mar</b>	63.79	65.2	63.78	64.85	<b>1.06</b>
<b>16-May</b>	64.85	65.5	64.85	65.1	<b>0.87</b>

**Pakistan Cotton Spot rates: As on 23/4/2015 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5250	150	5400
Equivalent	40 Kgs	5626	160	5786

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