

Domestic Fundamentals:

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

In The News: After hitting the five year low, cotton price are likely to surge up in near to medium term as the minimum support price (MSP) for the kharif crops are expected to be revised for the coming season and deficit in rain during the upcoming southwest monsoon will lower the cotton sowing. Besides the given situations, farmers are likely to shift for the other kharif crops due to drastic fall in the cotton prices being recorded in the current season.

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.

International Fundamentals:

Price of US cotton is surging up as there is strong demand for the quality fiber in the market. Australia has harvested only the half of what it produced last year. Brazil crop is facing the quality issues and India high quality crop has been held off the market. According to the market participants, the demand is heading towards USA for the quality cotton which has led the upward movement in the cotton prices.

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.

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	6.5	808	829	808	816	241	25	1734	-385
Spread	Apr-15								
Spot	97		--		--		--		

(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 27 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	180	16140	16300	16140	16270	1307	426	2472	-1292
May-15	130	16420	16560	16420	16500	2251	1139	6735	779
Jun-15	160	16660	16770	16630	16710	504	232	1978	22
Jul-15	190	16790	16950	16780	16900	319	138	1527	35
Aug-15	--	--	--	--	--	--	--	--	--
Spread	Apr-15	May-15	Jun-15	Jul-15	--		--		
Spot	--								
Apr-15		-230							
May-15			-210						
Jun-15				-190					
Jul-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 27 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		27-Apr-15	25-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	4565	4545	20
Patan	B.T. Cotton	4620	4625	-5
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4550	4550	Unch
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	4500	4525	-25
Hubli	B.T. Cotton	NA	4645	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4750	4625	125
Gondal	Shankar-6	4615	4605	10
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	3323	-
Raichur	H-44 Cotton	4600	4611	-11
Guntur	Un-Ginned	3975	3925	50
Kurnool	Un-Ginned	3980	3980	Unch
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	3950	-
	Lint	Rs./Maund (of 37.32kg each)		
Abohar	J-34	3820	3750	70
Muktsar	J-34	3800	3700	100
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3840	3750	90
Sirsa	J-34	3800	3700	100
Sri-Ganganagar	J-34	3384	3384	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		27-Apr-15	25-Apr-15	
Amravati	Mech-1	200	200	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1000	1350	-350
Patan	B.T. Cotton	3850	2890	960
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NR	NR	
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	200	250	-50
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	NA	25	-
Hubli	B.T. Cotton	NA	330	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	25500	34000	-8500
Gondal	Shankar-6	430	913	-483
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	6	-
Raichur	H-44 Cotton	1072	952	120
Guntur	Un-Ginned	1	1	Unch
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	85	Unch
Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				25-Apr-15	24-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	33700	33700	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	34200	34200	Unch
J-34(202)	26mm	3.5 - 4.9	23	34500	34000	500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33300	33100	200
Shankar-6(105)	29mm	3.5 - 4.9	28	34000	33700	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36000	35800	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36800	36600	200
DCH-32(107)	34mm	3.0 - 3.8	33	46500	46000	500

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

Centre	Unit	Price		Change
		27-Apr-15	25-Apr-15	
Rajkot	Rs. /10 Kg.	585	585	Unch
New Delhi	Rs. /10 Kg.	560	570	-10
Hyderabad	Rs. /10 Kg.	580	570	10
Mumbai	Rs. /10 Kg.	600	600	Unch

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

Centre	Unit	Price		Change
		27-Apr-15	25-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1865	Closed	-
Akola	Rs./Qtl	1798	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 27/4/2015		
Index	RMB/Ton	Change
CCIndex(328)	13388	-3
CCIndex(527)	12348	Unch
CCIndex(229)	14086	Unch
RMB - Renminbi, 1RMB = 0.16 \$U.S.		

Cotlook Index: As on 25/4/2015

Cotlook Indices	Cents/Pound	Change
A-Index	72.15	2.4

USDA Cotton Spot Rates: As on 24/4/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.34	69.59	NIL
North Delta	64.84	67.59	NIL
South Delta	64.84	67.59	NIL
East TX-OK	63.00	65.25	936
West Texas	63.00	65.25	2254
Desert SW	64.09	70.59	NIL
SJ Valley	65.09	74.99	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 24/4/2015

Contract	Open	High	Low	Close	Change
15-May	64.90	66.89	64.90	66.50	1.91
15-Jul	65.72	66.59	65.20	66.34	0.89
15-Oct	65.02	65.65	64.98	65.61	0.50
15-Dec	65.20	65.86	65.00	65.62	0.48
16-Mar	65.00	65.55	64.94	65.27	0.42
16-May	65.24	65.66	65.23	65.46	0.36

Pakistan Cotton Spot rates: As on 24/4/2015 (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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