

Domestic Fundamentals:

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

In The News: Indian Cotton Association Limited (ICAL) with association of technical expertise by Monsanto India Limited, is planning to adopt some of the cotton growing villages in north India, in order to provide assistance to the cotton growers about the better practices for the cotton production, from sowing till harvesting.

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.

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	-4.5	815	817	811	813.5	207	-34	1424	-310
Spread	Apr-15								
Spot	127.5				--		--		

(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 28 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	-170	16170	16170	16020	16100	921	-386	1740	-732
May-15	-190	16400	16480	16250	16340	2088	-163	7374	639
Jun-15	-200	16600	16610	16490	16560	457	-47	2062	84
Jul-15	-220	16800	16800	16680	16740	326	7	1569	42
Aug-15	--	--	--	--	--	--	--	--	--
Spread	Apr-15	May-15	Jun-15	Jul-15	--		--		
Spot	--								
Apr-15		-240							
May-15			-220						
Jun-15				-180					
Jul-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 28 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		28-Apr-15	27-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4700	4600	100
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4705	4565	140
Patan	B.T. Cotton	4650	4620	30
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	NA	4550	-
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	4500	Unch
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4675	4750	-75
Gondal	Shankar-6	4600	4615	-15
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	3455	NA	-
Raichur	H-44 Cotton	4660	4600	60
Guntur	Un-Ginned	NA	3975	-
Kurnool	Un-Ginned	3900	3900	Unch
Krishna	Un-Ginned	3944	NA	-
East Godavari	Un-Ginned	3975	NA	-
	Lint	Rs./Maund (of 37.32kg each)		
Abohar	J-34	3860	3820	40
Muktsar	J-34	3850	3800	50
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3840	3840	Unch
Sirsa	J-34	3800	3800	Unch
Sri-Ganganagar	J-34	NR	3384	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		28-Apr-15	27-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	1050	1000	50
Patan	B.T. Cotton	2150	3850	-1700
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	NA	200	-
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	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	25500	25500	Unch
Gondal	Shankar-6	412	430	-18
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	18	NA	-
Raichur	H-44 Cotton	1485	1072	413
Guntur	Un-Ginned	NA	1	-
Kurnool	Un-Ginned	1	1	Unch
Krishna	Un-Ginned	1	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	102	85	17
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	Rs. Per Candy	Change
				27-Apr-15	25-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34700	33700	1000
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	35200	34200	1000
J-34(202)	26mm	3.5 - 4.9	23	35700	34500	1200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33500	33300	200
Shankar-6(105)	29mm	3.5 - 4.9	28	34200	34000	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36200	36000	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37000	36800	200
DCH-32(107)	34mm	3.0 - 3.8	33	46500	46500	Unch

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

Centre	Unit	Price		Change
		28-Apr-15	27-Apr-15	
Rajkot	Rs. /10 Kg.	590	585	5
New Delhi	Rs. /10 Kg.	580	560	20
Hyderabad	Rs. /10 Kg.	585	580	5
Mumbai	Rs. /10 Kg.	605	600	5

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

Centre	Unit	Price		Change
		28-Apr-15	27-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1873	1865	8
Akola	Rs./Qtl	1833	1798	35

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 27/4/2015		
Index	RMB/Ton	Change
CCIndex(328)	13389	1
CCIndex(527)	12348	Unch
CCIndex(229)	14087	1
RMB - Renminbi, 1RMB = 0.16 \$U.S.		

Cotlook Index: As on 25/4/2015

Cotlook Indices	Cents/Pound	Change
A-Index	73.15	1

USDA Cotton Spot Rates: As on 27/4/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.23	69.48	1931
North Delta	64.73	67.48	NIL
South Delta	64.73	67.48	NIL
East TX-OK	63	65.25	4961
West Texas	63	65.25	2742
Desert SW	63.98	70.48	NIL
SJ Valley	64.98	74.88	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 27/4/2015

Contract	Open	High	Low	Close	Change
15-May	67.09	67.60	66.39	66.39	-0.11
15-Jul	66.38	67.50	65.88	66.23	-0.11
15-Oct	65.79	65.85	65.67	65.76	0.15
15-Dec	65.62	66.35	65.36	65.63	0.01
16-Mar	65.55	65.91	65.05	65.21	-0.06
16-May	65.81	66.04	65.03	65.15	-0.31

Pakistan Cotton Spot rates: As on 27/4/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	Cotton	37.32 Kgs	5300	150
Equivalent	Equivalent	40 Kgs	5680	160

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