

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mostly weak tone on Wednesday.

In The News: Cotton association of India (CAI) has revised the estimates for the cotton output in country at 391 lakh bales for the current season. CAI had estimated cotton output at 396 lakh bales earlier in March, and revised the same this month due to unusual rain occurred previous month.

According to CAI, around 318.4 lakh bales of cotton have arrived in the market till March end. Around 79.5 lakh bales has been arrived in Mandis of Gujarat, 66.8 lakh bales has been arrived Maharashtra. In central India which includes Gujarat, Maharashtra and Madhya Pradesh, recorded the total arrival of 161.8 lakh bales till March end.

India exported 0.544 lakh bales of cotton last week (20-26 April 2015), which was 1.040 lakh bales previous to last week (13-19 April 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.235 lakh bales last week, which was 0.089 lakh bales previous to last week.

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.

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.

International Fundamentals:

Cotton prices in China have been rebounding marginally since mid April, on better yarn sales of downstream companies. The benchmark cotton contract for September delivery, which rose 0.22 percent by the end of Tuesday, surged to the highest of 13,530 yuan/tonne and hit the lowest of 13,355 yuan/tonne during Tuesday session, recording a fluctuating range of nearly 200 yuan in a day, according to Reuters.

Around 12% of cotton planting has been completed in USA as on April 26 this year, which was 8% last week and 10% last year on same date, according to USDA. The five year average sowing progress is 16% as on date, same as the current sowing pace.

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.

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	820	824	817	820	240	33	1134	-290
Spread	Apr-15								
Spot	117				--		--		

(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 29 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	-60	16120	16200	16050	16080	490	-431	1265	-475
May-15	-110	16390	16440	16250	16280	1392	-696	7800	426
Jun-15	-120	16620	16640	16460	16470	161	-296	2129	67
Jul-15	-140	16760	16790	16620	16620	165	-161	1707	138
Aug-15	--	--	--	--	--	--	--	--	--
Spread	Apr-15	May-15	Jun-15	Jul-15	--		--		
Spot	--								
Apr-15		-200							
May-15			-190						
Jun-15				-150					
Jul-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 29 April 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		29-Apr-15	28-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4625	4700	-75
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4685	4705	-20
Patan	B.T. Cotton	4625	4650	-25
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	NA	-
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	4673	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4650	4675	-25
Gondal	Shankar-6	4610	4600	10
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	3455	-
Raichur	H-44 Cotton	4625	4660	-35
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4010	3900	110
Krishna	Un-Ginned	NA	3944	-
East Godavari	Un-Ginned	3975	3975	Unch
	Lint	Rs./Maund (of 37.32kg each)		
Abohar	J-34	3825	3860	-35
Muktsar	J-34	3790	3850	-60
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3700	3840	-140
Sirsa	J-34	3750	3800	-50
Sri-Ganganagar	J-34	NR	NR	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		29-Apr-15	28-Apr-15	
Amravati	Mech-1	300	200	100
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1100	1050	50
Patan	B.T. Cotton	3130	2150	980
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	NA	-
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	612	412	200
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	18	-
Raichur	H-44 Cotton	1215	1485	-270
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	1	1	Unch
Krishna	Un-Ginned	NA	1	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	102	-
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
				28-Apr-15	27-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34400	34700	-300
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	34900	35200	-300
J-34(202)	26mm	3.5 - 4.9	23	35400	35700	-300
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	33500	33500	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	34200	34200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36200	36200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37000	37000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	46500	46500	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		29-Apr-15	28-Apr-15	
Rajkot	Rs. /10 Kg.	585	585	Unch
New Delhi	Rs. /10 Kg.	590	580	10
Hyderabad	Rs. /10 Kg.	600	580	20
Mumbai	Rs. /10 Kg.	602	600	2

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		29-Apr-15	28-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1864	1865	-1
Akola	Rs./Qtl	1800	1798	2

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 29/4/2015

Index	RMB/Ton	Change
CCIndex(328)	13387	-2
CCIndex(527)	12340	-8
CCIndex(229)	14087	Unch
RMB - Renminbi, 1RMB = 0.16 \$U.S.		

Cotlook Index: As on 28/4/2015

Cotlook Indices	Cents/Pound	Change
A-Index	73.15	Unch

USDA Cotton Spot Rates: As on 28/4/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.39	69.64	NIL
North Delta	64.89	67.64	NIL
South Delta	64.89	67.64	NIL
East TX-OK	63.00	65.25	2524
West Texas	63.00	65.25	3040
Desert SW	64.14	70.64	NIL
SJ Valley	65.14	75.04	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 28/4/2015

Contract	Open	High	Low	Close	Change
15-May	66.00	67.12	65.11	66.62	0.23
15-Jul	66.37	67.07	65.60	66.39	0.16
15-Oct	65.40	65.84	65.31	65.77	0.01
15-Dec	65.63	66.13	65.30	65.85	0.22
16-Mar	64.99	65.74	64.95	65.48	0.27
16-May	65.17	65.89	65.11	65.49	0.34

Pakistan Cotton Spot rates: As on 28/4/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5350	150	5500
Equivalent	40 Kgs	5734	160	5894

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