

## Domestic Fundamentals:

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

**In The News:** The government is intended to procure 11 million bales of cotton in the current season ending in September. An ex-post facto approval by Cabinet Committee on Economic Affairs has been granted to engage Maharashtra State Co-operative Cotton Growers Marketing Federation (MSCCGMFL) as a sub agent of CCI to undertake procurement operations. CCI is likely to procure 10 million bales in 2014-15 whereas MSCCGMFL would procure one million bales. MSCCGMFL will procure cotton in Maharashtra. Till date CCI has procured 8.7 million bales of cotton highest since 2008-09 when it was 89.35 million bales.

Export of raw cotton from India has declined during the period of Apr 2014-Feb 2015 by around 41.32% in terms of quantity and 46.60% in terms of value when compared to corresponding period last year, according to the government sources.

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.

### 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	7.5	824	840	823.5	835	268	28	769	-365
Spread	Apr-15								
Spot	99				--		--		

(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 30 April 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-15	130	16320	16450	16290	16340	541	51	965	-300
May-15	140	16530	16680	16500	16580	2043	651	7563	-237
Jun-15	130	16750	16910	16730	16800	810	649	2389	260
Jul-15	170	16890	17050	16880	16990	262	97	1654	-53
Aug-15	--	--	--	--	--	--	--	--	--
Spread	Apr-15	May-15	Jun-15	Jul-15	--		--		
Spot	--								
Apr-15		-240							
May-15			-220						
Jun-15				-190					
Jul-15									
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(NB: Spread Basis = Spot- Near Month Future)

\* Updated at 5:00 pm on 30 April 2015

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

Centre	Variety	Prices		Change
		30-Apr-15	29-Apr-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4600	4625	<b>-25</b>
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4670	4685	<b>-15</b>
Patan	B.T. Cotton	4605	4625	<b>-20</b>
Deesa	B.T. Cotton	NR	NR	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4550	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	<b>Unch</b>
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	4650	4650	<b>Unch</b>
Gondal	Shankar-6	4580	4610	<b>-30</b>
	<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	4625	<b>-25</b>
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	4010	-
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	NA	3975	-
	<b>Lint</b>	<b>Rs/Maund (of 37.32 Kg each)</b>		
Abohar	J-34	3810	3825	<b>-15</b>
Muktsar	J-34	3780	3790	<b>-10</b>
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3810	3700	<b>110</b>
Sirsa	J-34	3740	3750	<b>-10</b>
Sri-Ganganagar	J-34	3431	NR	-

**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		30-Apr-15	29-Apr-15	
Amravati	Mech-1	200	300	-100
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1650	1100	550
Patan	B.T. Cotton	2255	3130	-875
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	20400	25500	-5100
Gondal	Shankar-6	459	612	-153
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	727	1215	-488
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	1	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	NA	-
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	Prices (Rs. Per Candy)		Change
				29-Apr-15	28-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34400	34400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34900	34900	Unch
J-34(202)	26mm	3.5 - 4.9	23	35100	35400	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33300	33500	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	34000	34200	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36000	36200	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36800	37000	-200
DCH-32(107)	34mm	3.0 - 3.8	33	46300	46500	-200

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

Centre	Unit	Price		Change
		30-Apr-15	29-Apr-15	
Rajkot	Rs. /10 Kg.	590	585	5
New Delhi	Rs. /10 Kg.	600	590	10
Hyderabad	Rs. /10 Kg.	600	600	Unch
Mumbai	Rs. /10 Kg.	602	602	Unch

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

Centre	Unit	Price		Change
		30-Apr-15	29-Apr-15	
Mahesana (Kadi)	Rs./Qtl	1878	1864	14
Akola	Rs./Qtl	1800	1800	Unch

**INTERNATIONAL PRICES AND INDICES**

China Cotton Index: As on 30/4/2015		
Index	RMB/Ton	Change
CCIndex(328)	13395	8
CCIndex(527)	12340	Unch
CCIndex(229)	14090	3
RMB - Renminbi, 1RMB = 0.16 \$U.S.		

**Cotlook Index: As on 29/4/2015**

Cotlook Indices	Cents/Pound	Change
A-Index	73.25	0.10

**USDA Cotton Spot Rates: As on 29/4/2015**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.59	69.84	10417
North Delta	65.59	68.34	NIL
South Delta	65.59	68.34	NIL
East TX-OK	63.00	65.25	2549
West Texas	63.00	65.25	1562
Desert SW	64.84	71.34	NIL
SJ Valley	65.84	75.74	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 29/4/2015**

Contract	Open	High	Low	Close	Change
15-May	67.32	67.32	67.32	67.32	0.70
15-Jul	66.55	67.29	66.01	67.09	0.70
15-Oct	65.85	66.54	65.85	66.51	0.74
15-Dec	65.69	66.40	65.45	66.27	0.42
16-Mar	65.50	65.98	65.17	65.78	0.30
16-May	65.77	65.77	65.66	65.66	0.17

**Pakistan Cotton Spot rates: As on 29/4/2015 (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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