

Domestic Fundamentals:

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

In The News: Cotton Corporation of India (CCI) has decided not to release the entire cotton stocks immediately in the market, rather it will release in the phases. Textile industry is constantly demanding CCI to release the stocks so avoid artificial shortage of cotton. CCI has procured around 86 lakh bales of cotton at MSP this season, highest procurement since 208-09, which has lifted the cotton prices in the domestic market which is putting the textile industry in the trouble by making raw cotton costlier.

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.

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
		1-May-15	30-Apr-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4650	4600	50
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4670	4670	Unch
Patan	B.T. Cotton	4615	4605	10
Deesa	B.T. Cotton	NA	NR	-
Dhrol	B.T. Cotton	4565	4535	30
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	Closed	4500	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4700	4650	50
Gondal	Shankar-6	4620	4580	40
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	4600	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	NA	NA	-
	Lint	Rs/Maund (of 37.32 Kg.)		
Abohar	J-34	3820	3810	10
Muktsar	J-34	3790	3780	10
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3820	3810	10
Sirsa	J-34	3770	3740	30
Sri-Ganganagar	J-34	Closed	3431	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		1-May-15	30-Apr-15	
Amravati	Mech-1	300	200	100
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1350	1650	-300
Patan	B.T. Cotton	2150	2255	-105
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	39	65	-26
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	Closed	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	20400	20400	Unch
Gondal	Shankar-6	390	459	-69
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	727	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	68	NA	-
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	85	85	Unch
Sri-Ganganagar	J-34	Closed	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				30-Apr-15	29-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34600	34400	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	34900	200
J-34(202)	26mm	3.5 - 4.9	23	35200	35100	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33400	33300	100
Shankar-6(105)	29mm	3.5 - 4.9	28	34100	34000	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36100	36000	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36900	36800	100
DCH-32(107)	34mm	3.0 - 3.8	33	46300	46300	Unch

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

Centre	Unit	Price		Change
		1-May-15	30-Apr-15	
Rajkot	Rs. /10 Kg.	590	590	Unch
New Delhi	Rs. /10 Kg.	610	600	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
		1-May-15	30-Apr-15	
Mahesana (Kadi)	Rs./Qtl	Closed	1878	-
Akola	Rs./Qtl	Closed	1800	-

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 30/4/2015		
Cotlook Indices	Cents/Pound	Change
A-Index	73.95	0.70

USDA Cotton Spot Rates: As on 30/4/2015			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.38	70.63	1121
North Delta	66.38	69.13	NIL
South Delta	66.38	69.13	NIL
East TX-OK	63.50	65.75	5546
West Texas	63.50	65.75	14858
Desert SW	65.63	72.13	NIL
SJ Valley	66.63	76.53	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 30/4/2015					
Contract	Open	High	Low	Close	Change
15-May	68.10	68.12	68.10	68.12	0.80
15-Jul	67.40	68.07	67.30	67.88	0.79
15-Oct	66.65	66.85	66.58	66.83	0.32
15-Dec	66.30	66.95	66.29	66.64	0.37
16-Mar	65.99	66.40	65.99	66.11	0.33
16-May	65.98	66.41	65.98	66.04	0.38

Pakistan Cotton Spot rates: As on 30/4/2015 (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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