

Domestic Fundamentals:

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

In The News: Despite the lower production world cotton expected to rise in the coming season i.e. 2015-16 following the higher demand from South Asian countries. According to ICAC, Cotton exports from India would be around 1.34 million tones (78.8 lakh bales) in the next season around 27.62% higher when compared to the export of current season.

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 2008-09, 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.

International Fundamentals:

The International Cotton Advisory Committee (ICAC) has revised the world ending stocks estimates for 2015/16 at 21.23 million tones which was estimated 21.21 million tones in April 2015/16. On the production side ICAC foresees the production at 23.89 million tones for season 2015/16 which was earlier estimated at 23.99 million tones in April 2015.

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.

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-16	2.5	952	962	951	953.5	746	478	1888	1119
Spread	Apr-15								
Spot	-19.5				--		--		

(NB: Spread was done by taking avg. spot prices at Rajkot – B.T. Cotton market. Basis = Spot- Near Month Future)

*Updated at 11:30 pm on 01 May 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-15	-80	16700	16850	16540	16560	2556	2015	7295	6330
Jun-15	-100	16930	17060	16760	16770	904	-1139	2453	-5110
Jul-15	-100	17160	17240	16920	16940	387	-423	1800	-589
Oct-15	660	17470	17470	17450	17460	3	-259	3	-1651
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Spread	May-15	Jun-15	Jul-15	Oct-15	--	--			
Spot	--								
May-15		-210							
Jun-15			-170						
Jul-15				-520					
Oct-15									
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 11:30 pm on 01 May 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		4-May-15	2-May-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4650	4650	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4685	4680	5
Patan	B.T. Cotton	4715	4670	45
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NR	4605	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4800	4550	250
Adampur	B.T. Cotton	4850	4550	300
Fatehabad	B.T. Cotton	4800	4700	100
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	4750	4750	Unch
Gondal	Shankar-6	4700	4630	70
	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	4760	4700	60
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	4000	50
Krishna	Un-Ginned	NA	4050	-
East Godavari	Un-Ginned	4050	4050	Unch
	Lint	Rs/Maund (of 37.32 kg each)		
Abohar	J-34	3860	3850	10
Muktsar	J-34	3840	3790	50
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3840	3840	Unch
Sirsa	J-34	3800	3790	10
Sri-Ganganagar	J-34	3431	3427	4

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		4-May-15	2-May-15	
Amravati	Mech-1	400	400	Unch
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1315	1175	140
Patan	B.T. Cotton	1183	1662	-479
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NR	30	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	170	340	-170
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	20400	Unch
Gondal	Shankar-6	709	302	407
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	615	1275	-660
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	1	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	51	340	-289
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
				2-May-15	30-Apr-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	35100	Unch
J-34(202)	26mm	3.5 - 4.9	23	35500	35200	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34000	33400	600
Shankar-6(105)	29mm	3.5 - 4.9	28	34700	34100	600
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36500	36100	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37200	36900	300
DCH-32(107)	34mm	3.0 - 3.8	33	46500	46300	200

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

Centre	Unit	Price		Change
		4-May-15	2-May-15	
Rajkot	Rs. /10 Kg.	600	600	Unch
New Delhi	Rs. /10 Kg.	595	610	-15
Hyderabad	Rs. /10 Kg.	600	585	15
Mumbai	Rs. /10 Kg.	605	605	Unch

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

Centre	Unit	Price		Change
		4-May-15	2-May-15	
Mahesana (Kadi)	Rs./Qtl	Closed	Closed	-
Akola	Rs./Qtl	Closed	Closed	-

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 04/5/2015

Index	RMB/Ton	Change
CCIndex(328)	13396	1
CCIndex(527)	12337	-3
CCIndex(229)	14091	1

RMB - Renminbi, 1RMB = 0.16 \$U.S.

Cotlook Index: As on 1/5/2015

Cotlook Indices	Cents/Pound	Change
A-Index	74.70	0.75

USDA Cotton Spot Rates: As on 1/5/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.11	69.36	0
North Delta	65.11	67.86	0
South Delta	65.11	67.86	0
East TX-OK	62.25	64.50	710
West Texas	62.25	64.50	1008
Desert SW	64.36	70.86	0
SJ Valley	65.36	75.26	0

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 1/5/2015

Contract	Open	High	Low	Close	Change
15-May	66.99	67.03	64.64	66.85	-1.27
15-Jul	67.99	68.13	65.72	66.61	-1.27
15-Oct	66.60	66.60	65.37	66.30	-0.53
15-Dec	66.64	66.99	65.39	66.45	-0.19
16-Mar	66.41	66.44	65.20	66.00	-0.11
16-May	66.22	66.22	65.46	66.11	0.07

Pakistan Cotton Spot rates: As on 02/5/2015 (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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