

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mixed tone on Thursday.

In The News: Cotton Corporation of India (CCI) has invited the bids to sell 90,700 fully pressed (F.P.) bales of cotton through e-auction on Wednesday at various centers including Akola, Aurangabad, Indore, Ahmedabad, Rajkot, Bathinda, Sirsa, Bhilwara, Adilabad, Warangal, Guntur, Hubli and Rayagada. Major varieties offered were BB, H-4, S-6 and J-34.

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	9	932.5	944	930	942	793	-88	2329	22
Spread	Apr-15								
Spot	10				--				

(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 07 May 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-15	-20	16600	16690	16560	16620	981	-395	7357	-28
Jun-15	-20	16870	16900	16780	16860	370	-331	3152	151
Jul-15	10	17000	17050	16950	17010	115	-64	2205	67
Oct-15	--	--	--	--	--	--	--	--	--
Nov-15	--	--	--	--	--	--	--	--	--
Spread	May-15	Jun-15	Jul-15	Oct-15	--		--		
Spot	--								
May-15		-220							
Jun-15			-120						
Jul-15				-440					
Oct-15									
Nov-15									

(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 07 May 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		7-May-15	6-May-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4700	4700	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4760	4805	-45
Patan	B.T. Cotton	NA	4855	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4830	5005	-175
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4850	4850	Unch
Adampur	B.T. Cotton	4880	4940	-60
Fatehabad	B.T. Cotton	4900	4950	-50
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	4900	4900	Unch
Hubli	B.T. Cotton	4697	4293	404
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4800	4850	-50
Gondal	Shankar-6	4810	4855	-45
	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	4825	4775	50
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4050	4050	Unch
	Lint	Rs./Maund (of 37.32kg each)		
Abohar	J-34	3900	3910	-10
Muktsar	J-34	3880	3830	50
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3900	3900	Unch
Sirsa	J-34	3850	3850	Unch
Sri-Ganganagar	J-34	3619	3619	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		7-May-15	6-May-15	
Amravati	Mech-1	350	400	-50
Khandwa	Mech-1	NA	NA	-
Khargane	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1575	1410	165
Patan	B.T. Cotton	NA	1325	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	92	32	60
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	60	24	36
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	17000	17000	Unch
Gondal	Shankar-6	544	327	217
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	720	795	-75
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	51	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	Rs. Per Candy	Rs. Per Candy	Change
				6-May-15	5-May-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	35400	35100	300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35900	35600	300
J-34(202)	26mm	3.5 - 4.9	23	36200	35900	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34800	34500	300
Shankar-6(105)	29mm	3.5 - 4.9	28	35500	35200	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37200	36900	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37900	37600	300
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
		7-May-15	6-May-15	
Rajkot	Rs. /10 Kg.	610	610	Unch
New Delhi	Rs. /10 Kg.	600	600	Unch
Hyderabad	Rs. /10 Kg.	590	585	5
Mumbai	Rs. /10 Kg.	615	615	Unch

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

Centre	Unit	Price		Change
		7-May-15	6-May-15	
Mahesana (Kadi)	Rs./Qtl	1915	1909	6
Akola	Rs./Qtl	1850	1851	-1

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 7/5/2015

Index	RMB/Ton	Change
CCIndex(328)	13409	6
CCIndex(527)	12336	Unch
CCIndex(229)	14120	15

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

Cotlook Index: As on 6/5/2015

Cotlook Indices	Cents/Pound	Change
A-Index	73.80	Unch

USDA Cotton Spot Rates: As on 6/5/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.36	68.61	NIL
North Delta	64.36	67.11	NIL
South Delta	64.36	67.11	NIL
East TX-OK	61.50	63.75	1575
West Texas	61.50	63.75	1019
Desert SW	63.61	70.11	NIL
SJ Valley	64.61	74.51	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 6/5/2015

Contract	Open	High	Low	Close	Change
15-May	64.56	67.04	64.38	66.10	-0.89
15-Jul	66.33	66.68	65.57	65.86	-0.89
15-Oct	65.98	66.14	65.58	65.83	-0.69
15-Dec	66.05	66.26	65.37	65.77	-0.72
16-Mar	65.85	65.85	65.28	65.71	-0.64
16-May	65.97	65.97	65.56	65.90	-0.57

Pakistan Cotton Spot rates: As on 6/5/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5400	150	5550
Equivalent	40 Kgs	5787	160	5947

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