

Domestic Fundamentals:

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

In The News: Around 14.3 lakh hectares of cotton has been sown so far throughout the country, as on 12 June this year, which is around 17.5% lower when compared to the sowing progress of last season during the corresponding period which was 17.34 lakh hectares, according to Ministry of Agriculture.

India exported 0.453 lakh bales of cotton last week (31 May-07 June 2015), which was 0.654 lakh bales previous to last week (25-30 May 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.254 lakh bales last week, which was 0.231 lakh bales previous to last week.

All India cotton arrivals, as on May 30, 2015 has reached 27.5 million 480 lb. bales (35.3 million 170 kg bales/5.9 mmt), as reported by the Cotton Corporation of India (CCI). The pace of arrivals has slowed by around 5 percent when compared to last year. CCI procurement under MSP stood at 6.8 million 480 lb. bales (8.7 million 170 kg bales/1.5 mmt) during the current season. CCI sales reported as of May 30 have recorded 1 million 480 lb. bales (1.3 million 170 kg bales/221,000 mt).

Cotton Corporation of India (CCI) has started floating the global tender for cotton export to Bangladesh. The tender earlier did not attract the much attention as the prices quoted by CCI was 76-77 cents whereas the working price of the exporters is 68-70 cents since the Rupee has appreciated to 62.15 from 62.70 against the dollar. CCI is now working on the better and revised pricing strategy to drag down the price to 70 cents for the overseas buyers.

CCI has invited bids for the export sale of 4200 F.P. bales of cotton thorough e-auction on 10 June 2015 from the international buyer. Varieties offered for the auction was Bunny Brahma (BB) and Shankar-6 (S-6) for the Ex-port Benapole.

Cotton acreage is expected to fall by around 7% this year, said Cotton association of India (CAI) following the drastic fall in the prices in the current season and expectation of better return from other crops including soybean and Pulses. It should be noted that it is steepest fall in acreage since 2002/03.

The two key cotton growing region of Punjab i.e. Bathinda and Mukhtsar are expected to switch to other crop from cotton due to lower returns and crop loss. Farmers are likely to opt paddy over fiber crop this year despite the expectation of lower rainfall. It should be noted Punjab received only 50% of the normal rainfall during the last monsoon season i.e. June-September 2014.

Farmers in Vidarbha are advised by the divisional level officer agriculture, to delay the sowing of Kharif crop including cotton and soybean, to July first week as the monsoon is likely to get delay. In general, farmers start Kharif sowing in the region by June 15. Delayed sowing in the region could save farmers from re sowing which usually occurs due to late or scanty rains.

International Fundamentals:

World cotton production estimates for the season 2015-16 has been upwardly revised by USDA. Cotton production on global front is likely to stand around 24.238 million tons in the coming season around 0.07% higher when compared to the estimates of previous month which was 24.222 million tons and around 6.34% lower when compared to the production of current month.

In its June estimates, USDA lowered the world cotton exports estimates for the season 2015-16 by around 0.42% to 7.36 million tons as compared to the estimates of previous month which was 7.329 million tons. The export of during the season 2015-16 would be around 1.06% lower when compared to the export of current season and around 15.65% lower when compared the season 2013-14.

USDA has revised the import estimates of China for the season the 2014-15 at 1.742 million tons in June estimates which was estimated 1.676 million tons earlier in May this season. USDA expects the increase in China cotton imports as the country is carrying the strong demand for high grades of cotton which it will source from other countries.

Outlook

We expect domestic prices to remain range bound to weak in near term.

NCDEX Kapas Futures*: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-16	-13	911.5	911.5	895.5	900.5	2363	1360	3002	238

Spread	Apr-15		
Spot	23.5	--	--

(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 16 June 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-15	-140	16080	16080	15960	15970	748	-242	5781	-317
Jul-15	-160	16260	16260	16120	16130	552	186	3419	43
Oct-15	-90	16920	16920	16920	16920	1	-16	366	0
Dec-15	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--

Spread	Jun-15	Jul-15	Oct-15	Dec-15		--
Spot	--					
Jun-15		-160				
Jul-15			-790			
Oct-15				--		
Dec-15					--	
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 16 June 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		15-Jun-15	13-Jun-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	4620	4680	-60
Patan	B.T. Cotton	NA	NA	-
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	4670	4780	-110
Adampur	B.T. Cotton	4800	4800	Unch
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	-
	Kapas			
Ahmedabad	Shankar-6	4600	4625	-25
Gondal	Shankar-6	4555	4615	-60
	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	4679	4711	-32
Guntur	Un-Ginned	3825	NA	-
Kurnool	Un-Ginned	4010	NA	-
Krishna	Un-Ginned	4300	NA	-
East Godavari	Un-Ginned	3975	NA	-
	Lint	Rs./Maud (of 37.32kg each)		
Abohar	J-34	3835	3850	-15
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3650	3850	-200
Sirsa	J-34	3730	3725	5
Sri-Ganganagar	J-34	3502	3525	-23

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		15-Jun-15	13-Jun-15	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	410	605	-195
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
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	3400	3400	Unch
Gondal	Shankar-6	74	237	-163
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	382	352	30
Guntur	Un-Ginned	1	NA	-
Kurnool	Un-Ginned	1	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	34	26	8
Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				13-Jun-15	12-Jun-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	35100	35100	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	35600	35600	Unch
J-34(202)	26mm	3.5 - 4.9	23	35400	35400	Unch
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	33500	33600	-100
Shankar-6(105)	29mm	3.5 – 4.9	28	34400	34600	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36000	36100	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37000	37000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	44000	44500	-500

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

Centre	Unit	Price		Change
		15-Jun-15	13-Jun-15	
Rajkot	Rs. /10 Kg.	615	620	-5
New Delhi	Rs. /10 Kg.	605	605	Unch
Hyderabad	Rs. /10 Kg.	585	585	Unch
Mumbai	Rs. /10 Kg.	612	610	2

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

Centre	Unit	Price		Change
		15-Jun-15	13-Jun-15	
Mahesana (Kadi)	Rs./Qtl	1913	Closed	-
Akola	Rs./Qtl	1800	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 15/6/2015		
Index	RMB/Ton	Change
CCIndex(328)	13333	3
CCIndex(527)	12203	1
CCIndex(229)	14005	Unch
RMB - Renminbi, 1RMB = 0.16 \$U.S.		

China Foreign Cotton (FC) Index : As on 15/6/2015

Index	Cents/lb	Change
FC Index (S)	78.95	0.38
FC Index (M)	72.92	0.40
FC Index (L)	70.89	0.35

Cotlook Index: As on 12/6/2015

Cotlook Indices	Cents/Pound	Change
A-Index	71.85	-0.95

USDA Cotton Spot Rates: As on 12/6/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.32	66.57	NIL
North Delta	62.57	65.32	NIL
South Delta	62.57	65.32	NIL
East TX-OK	61.25	63.50	NIL
West Texas	61.25	63.50	2
Desert SW	61.82	68.32	NIL
SJ Valley	62.82	72.72	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 12/6/2015

Contract	Open	High	Low	Close	Change
15-Jul	63.89	64.94	63.52	64.07	0.54
15-Oct	65.53	66.50	65.32	65.78	0.38
15-Dec	64.44	65.30	64.29	64.66	0.28
16-Mar	64.86	65.35	64.53	64.91	0.34
16-May	64.97	65.49	64.97	65.27	0.35
16-Jul	65.39	65.88	65.34	65.66	0.41

Pakistan Cotton Spot rates: As on 13/6/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5450	150	5600
Equivalent	40 Kgs	5841	160	6001

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