

Domestic Fundamentals:

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

In The News: Central Institute for Cotton Research (CICR) has issued the district specific advisory for sowing cotton across the country, considering the difference in the status of monsoon in different states. CICR has suggested the immediate sowing in Maharashtra in the coming week particularly in Jalgaon, yavatmal, Nanded, Amravati, Buldana and Aurangabad districts as dry situation is expected in the period of July 03-16.

India exported 0.449 lakh bales of cotton last week (08-14 June 2015), which was 0.453 lakh bales previous to last week (31 May-07 June 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.259 lakh bales last week, which was 0.254 lakh bales previous to last week.

Minimum Support Price (MSP) of cotton has been revised upwardly for the year 2015-16 by Cabinet Committee on Economic Affairs (CACAP) by Rs 50 for each of Medium and Long staple. The MSP of Medium staple cotton has been revised to Rs 3800 per quintal for 2015-16 which was Rs. 3750 in 2014-15. Similarly, the MSP for Long staple has been revised to Rs. 4100 for the upcoming season 2015-16, which was Rs 4050 in the current season.

Cotton consumption in India is likely to increase by around 5.09% in the coming season i.e. 2015-16 to 5.606 million tones as compared to 5.334 million tones in the current season, said USDA. Consumption on global front too is likely to increase by around 3.44% to 25.10 million tones in 2015-16 as compared to 24.27 million tones in current season.

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.

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.

International Fundamentals:

Around 91% of cotton planting has been completed in USA as on June 14 this year, which was 81% last week and 94% last year on same date, according to USDA. The five year average sowing progress is 96% as on date, slightly higher than the current sowing pace.

In the month of May, China imported 163,000 tons of cotton, around 14.8 percent lower when compared to the imports during the same month in 2014. China cotton imports has fallen drastically this year after the country announced that it would restrict low-tariff quotas to 894,000 tons, the amount agreed with World Trade Organisation.

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.

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	-9.5	906	907	892	896	1464	332	3021	388
Spread		Apr-15							
Spot		15			--				--

(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 22 June 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-15	-100	15940	15940	15770	15830	528	13	3673	152
Oct-15	-50	16600	16600	16490	16570	78	-83	439	-29
Nov-15	-180	16330	16330	16300	16300	6	-35	110	-116
Dec-15	-100	16350	16350	16280	16300	93	--	361	--
--	--	--	--	--	--	--	--	--	--
Spread		Jul-15	Oct-15	Nov-15	Dec-15			--	
Spot		--							
Jul-15		-740							
Oct-15				270					
Nov-15						0			
Dec-15								--	
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 22 June 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		22-Jun-15	20-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	4555	4550	5
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4600	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4750	4750	Unch
Adampur	B.T. Cotton	4760	4760	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	4500	NR	-
Gondal	Shankar-6	4540	4560	-20
	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	4670	4665	5
Guntur	Un-Ginned	NA	4050	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4050	4050	Unch
	Lint	Rs/Maund (of 37.32 Kg each)		
Abohar	J-34	3825	3825	Unch
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3630	3635	-5
Sirsa	J-34	3700	3700	Unch
Sri-Ganganagar	J-34	3455	3478	-23

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		22-Jun-15	20-Jun-15	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	1210	441	769
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	24	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	850	NR	-
Gondal	Shankar-6	102	205	-103
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	270	217	53
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	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	17	51	-34
Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				20-Jun-15	18-Jun-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34600	34600	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	35100	35100	Unch
J-34(202)	26mm	3.5 - 4.9	23	35300	35300	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33100	33400	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	33800	33900	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35200	35500	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36200	36500	-300
DCH-32(107)	34mm	3.0 - 3.8	33	44000	44000	Unch

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

Centre	Unit	Price		Change
		22-Jun-15	20-Jun-15	
Rajkot	Rs. /10 Kg.	620	618	2
New Delhi	Rs. /10 Kg.	605	605	Unch
Hyderabad	Rs. /10 Kg.	590	585	5
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
		22-Jun-15	20-Jun-15	
Mahesana (Kadi)	Rs./Qtl	1925	Closed	-
Akola	Rs./Qtl	1820	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 19/6/2015		
Index	RMB/Ton	Change
CCIndex(328)	13335	-2
CCIndex(527)	12188	-2
CCIndex(229)	14016	Unch

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

China Foreign Cotton (FC) Index : As on 19/6/2015		
Index	Cents/lb	Change
FC Index (S)	79.32	0.15
FC Index (M)	73.32	0.13
FC Index (L)	71.42	0.25

Cotlook Index: As on 19/6/2015		
Cotlook Indices	Cents/Pound	Change
A-Index	72.00	0.15

USDA Cotton Spot Rates: As on 19/6/2015			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.56	66.81	NIL
North Delta	62.81	65.56	NIL
South Delta	62.81	65.56	NIL
East TX-OK	60.75	63.00	NIL
West Texas	60.75	63.00	NIL
Desert SW	62.06	68.56	NIL
SJ Valley	63.06	72.96	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 19/6/2015					
Contract	Open	High	Low	Close	Change
15-Jul	64.00	64.00	62.80	63.32	-0.76
15-Oct	66.12	66.12	64.73	65.06	-0.82
15-Dec	64.66	64.75	63.50	63.90	-0.82
16-Mar	64.67	64.74	63.62	64.03	-0.65
16-May	64.93	64.93	63.99	64.44	-0.57
16-Jul	64.53	65.00	64.53	64.86	-0.57

Pakistan Cotton Spot rates: As on 20/6/2015 (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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