

Domestic Fundamentals:

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

In The News: Around 54.31% of the cotton sowing has been completed in Gujarat, according to State Agriculture Department. Area sown under cotton as on 29 June 2015 stood 14.80 lakh hectares in Gujarat against the total normal area of 27.26 lakh hectares.

Around 34.87 lakh hectares of cotton has been sown so far throughout the country, as on 26 June this year, which is around 19.95% higher when compared to the sowing progress of last season during the corresponding period which was 29.07 lakh hectares, according to Ministry of Agriculture.

India exported 0.439 lakh bales of cotton last week (15-21 June 2015), which was 0.449 lakh bales previous to last week (08-14 June 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.297 lakh bales last week, which was 0.259 lakh bales previous to last week.

According to Investment Information and Credit Rating Agency of India (ICRA), cotton prices in year 2016 is likely to remain range bound despite the expectation of fall in production by 10-15%. ICRA in its report said that in the last four year (CY 2011-12 to 2014-15), the global cotton prices and trade were majorly driven by government policies in various producing and consuming countries, despite the increasing supply and negligible growth in demand.

Cotton Corporation of India (CCI) has sold around 15 lakh bales of cotton so far from the stock of 87 lakh bales which it procured during the current season under the procurement operation, said Indian Cotton Federation (ICF).

Cotton sowing has been started in almost every cotton growing region including Punjab, Haryana, Rajasthan, Gujarat, Maharashtra and Karnataka following the arrival of good rainfall in the states. Cumulative rainfall during 01 June to 22 June in the current monsoon season (starting from 01 June) stood 126.1 mm, around 21% higher than the normal rainfall of 103.8 mm for the same period.

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.

Minimum Support Price (MSP) of cotton has been revised upwardly for the year 2015-16 by Cabinet Committee on Economic Affairs (CACP) 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.

International Fundamentals:

Around 94% of cotton planting has been completed in USA as on June 21 this year, which was 91% last week and 99% last year on same date, according to USDA. The five year average sowing progress is 100% 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 firm in near term.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-16	-10	917	917	906	909.5	1764	254	2763	-43
Spread	Apr-15								
Spot	8.5		--				--		

(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 30 June 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-15	-120	16020	16120	15910	16040	1017	-166	5256	166
Oct-15	-120	16700	16750	16620	16660	167	7	848	112
Nov-15	-120	16490	16490	16430	16430	66	53	116	8
Dec-15	-100	16510	16540	16470	16480	151	84	923	131
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Spread	Jul-15	Oct-15	Nov-15	Dec-15					
Spot	--								
Jul-15	-620								
Oct-15			230						
Nov-15					-50				
Dec-15							--		
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 30 June 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Market:

Centre	Variety	Prices		Change
		30-Jun-15	29-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	4590	NR	-
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	4650	4650	Unch
Adampur	B.T. Cotton	4700	4720	-20
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	NA	4575	-
Gondal	Shankar-6	4645	4645	Unch
	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	4667	4633	34
Guntur	Un-Ginned	3975	4050	-75
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	3810	3800	10
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-

Bhatinda	J-34	3830	3785	45
Sirsa	J-34	3700	3680	20
Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		30-Jun-15	29-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	620	NR	-
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	NA	3400	-
Gondal	Shankar-6	321	363	-42
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	397	367	30
Guntur	Un-Ginned	1	1	Unch
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	17	17	Unch
Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				29-Jun-15	27-Jun-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34400	34400	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	34900	34900	Unch
J-34(202)	26mm	3.5 - 4.9	23	35000	35000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	32800	200
Shankar-6(105)	29mm	3.5 - 4.9	28	34000	33700	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34900	34700	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35900	35700	200
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
		30-Jun-15	29-Jun-15	
Rajkot	Rs. /10 Kg.	615	618	-3
New Delhi	Rs. /10 Kg.	605	605	Unch
Hyderabad	Rs. /10 Kg.	590	590	Unch
Mumbai	Rs. /10 Kg.	612	612	Unch

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

Centre	Unit	Price		Change
		30-Jun-15	29-Jun-15	
Mahesana (Kadi)	Rs./Qtl	1912	1920	-8
Akola	Rs./Qtl	1800	1811	-11

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 30/6/2015		
Index	RMB/Ton	Change
CCIndex(328)	13263	Unch
CCIndex(527)	12121	-6
CCIndex(229)	13955	-32
RMB - Renminbi, 1RMB = 0.16 \$U.S.		

China Foreign Cotton (FC) Index : As on 30/6/2015

Index	Cents/lb	Change
FC Index (S)	80.74	-0.24
FC Index (M)	74.16	-0.39
FC Index (L)	72.97	-0.35

Cotlook Index: As on 29/6/2015

Cotlook Indices	Cents/Pound	Change
A-Index	74.35	1.85

USDA Cotton Spot Rates: As on 29/6/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.89	70.14	484
North Delta	66.14	68.89	3607
South Delta	66.14	68.89	NIL
East TX-OK	62.50	64.75	1328
West Texas	62.50	64.75	302
Desert SW	65.39	71.89	NIL
SJ Valley	66.39	76.29	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 29/6/2015

Contract	Open	High	Low	Close	Change
15-Jul	67.10	67.38	66.80	66.80	-0.36
15-Oct	68.35	69.13	68.24	68.39	0.18
15-Dec	67.40	67.80	67.01	67.23	-0.28
16-Mar	66.89	67.24	66.56	66.81	-0.11
16-May	66.33	66.86	66.31	66.62	-0.13
16-Jul	66.60	66.60	66.25	66.37	-0.20

Pakistan Cotton Spot rates: As on 29/6/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5100	150	5250
Equivalent	40 Kgs	5466	160	5626

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