

Domestic Fundamentals:

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

In The News: According to the Andhra Pradesh state agriculture department, around 1.064 lakh hectares of cotton has been sown in the state as on 08 July this year, which is around 14.4% higher when compared to the area sown during the same period last year and around 18.03% lower when compared to normal area as on date.

The Southern India Mills' Association (SIMA) has urged minister of state for textile Santosh Kumar Gangwar to look into the e-auction policy of Cotton Corporation of India (CCI) of selling cotton and instruct CCI to offer at least 50,000 bales - in varied lot sizes and in multiples of 100 bales. It also requested that CCI should offer cotton for sale in each center and each variety in order to help small industry.

Around 60.16 lakh hectares of cotton has been sown so far throughout the country, as on 03 July this year, which is around 69.85% higher when compared to the sowing progress of last season during the corresponding period which was 35.42 lakh hectares, according to Ministry of Agriculture.

Cotton Corporation of India (CCI) has sold around 30 lakh bales of cotton so far from the stock of 86.9 lakh bales which it procured during the current season under the procurement operation. CCI sold 29 lakh bales to domestic buyers and 1 lakh bale to Bangladesh. On daily basis it is releasing around 2 lakh bales of cotton for sale.

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.

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 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.

International Fundamentals:

Agriculture Ministry of Egypt said it would stop cotton imports from all origins to protect local production. The country aims to protect the local growers and resolve marketing issues of cotton by restricting the fiber imports.

The world biggest cotton consumer, China would sell the initial volume of 1 million tonnes of cotton from its state reserve during July and August in the current year, according to country's top planner. 330000 tonnes of domestic cotton from the 2011 crop with the floor price of 13,200 Yuan per tonne, 470,000 tonnes of domestic cotton from 2012 at 14,200 Yuan per tonne, and 200,000 tonnes of imported cotton from the 2012 crop at 15,500 Yuan per tonne would be offered at Beijing for the sale.

The International Cotton Advisory Committee (ICAC) has revised the world cotton ending stocks estimates for season 2015-16 upwardly. According to ICAC July estimates, cotton ending stocks is likely to be around 20.90 million tonnes as compared to 20.79 million tonnes, which was earlier estimated in June.

Outlook

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

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-16	3	912	916.5	910	916.5	793	198	2847	18
Spread	Apr-15								
Spot	20.5				--		--		

(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 09 July 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-15	40	15830	15930	15830	15900	354	75	4570	155
Oct-15	30	16600	16650	16600	16640	30	-48	1121	10
Nov-15	10	16330	16330	16330	16330	1	-9	163	0
Dec-15	60	16300	16390	16300	16390	35	-87	1405	15
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Spread	Jul-15	Oct-15	Nov-15	Dec-15		--
Spot	--					
Jul-15		-740				
Oct-15			310			
Nov-15				-60		
Dec-15					--	
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 09 July 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		10-Jul-15	9-Jul-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	4685	4690	-5
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4500	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	4700	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	NA	NA	-
Gondal	Shankar-6	4715	4695	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	4759	4730	29
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	4050	-
Krishna	Un-Ginned	4050	NA	-
East Godavari	Un-Ginned	4050	4050	Unch
	Lint	Rs/Maund		
Abohar	J-34	3810	3815	-5
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3815	3825	-10
Sirsa	J-34	3725	3725	Unch
Sri-Ganganagar	J-34	3478	3431	47

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		10-Jul-15	9-Jul-15	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	400	530	-130
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	14	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	NA	-
Gondal	Shankar-6	931	423	508
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	210	165	45
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	1	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	NA	NA	-
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
				9-Jul-15	7-Jul-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33900	34200	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34400	34700	-300
J-34(202)	26mm	3.5 - 4.9	23	35300	35400	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32700	33000	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	34200	34600	-400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	35000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	36000	Unch
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
		10-Jul-15	9-Jul-15	
Rajkot	Rs. /10 Kg.	610	610	Unch
New Delhi	Rs. /10 Kg.	590	590	Unch
Hyderabad	Rs. /10 Kg.	590	580	10
Mumbai	Rs. /10 Kg.	615	610	5

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

Centre	Unit	Price		Change
		10-Jul-15	9-Jul-15	
Mahesana (Kadi)	Rs./Qtl	1917	1912	5
Akola	Rs./Qtl	1823	1814	9

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 10/7/2015		
Index	RMB/Ton	Change
CCIndex(328)	13203	-9
CCIndex(527)	12098	Unch
CCIndex(229)	13843	-5
RMB - Renminbi, 1RMB = 0.16 \$U.S.		

China Foreign Cotton (FC) Index : As on 10/7/2015

Index	Cents/lb	Change
FC Index (S)	79.74	0.52
FC Index (M)	73.19	0.50
FC Index (L)	71.17	0.63

Cotlook Index: As on 09/7/2015

Cotlook Indices	Cents/Pound	Change
A-Index	72.25	-0.65

USDA Cotton Spot Rates: As on 09/7/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.21	67.46	NIL
North Delta	63.46	66.21	NIL
South Delta	63.46	66.21	NIL
East TX-OK	60.00	62.25	NIL
West Texas	60.00	62.25	365
Desert SW	62.71	69.21	NIL
SJ Valley	63.71	73.61	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 09/7/2015

Contract	Open	High	Low	Close	Change
15-Jul	64.83	64.83	64.83	64.83	0.24
15-Oct	65.63	65.94	65.47	65.71	0.24
15-Dec	65.25	66.37	65.19	65.86	0.56
16-Mar	65.50	66.18	65.45	65.80	0.55
16-May	65.64	66.13	65.63	65.82	0.45
16-Jul	65.79	66.33	65.75	65.99	0.40

Pakistan Cotton Spot rates: As on 09/7/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	4650	150	4800
Equivalent	40 Kgs	4983	160	5143

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