

Domestic Fundamentals:

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

In The News: Around 87.83 lakh hectares of cotton has been sown so far throughout the country, as on 10 July this year. This is around 94.75% higher when compared to the corresponding sowing progress of last season which was 45.1 lakh hectares, according to Ministry of Agriculture.

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:

USDA estimated cotton imports to be around 7.41 million tones in 2015-16, around 1.5% lower when compared to the imports in the current season i.e. 2014-15. It should be noted the net fall in the cotton imports is caused by the lower cotton imports by China, otherwise all the major importing nation are expected to import higher in 2015-16.

In its July estimates, USDA estimated world cotton export to be around 7.413 million tones in season 2015-16, around 1.6% lower when compared to export in the current season that is 2014-15. Except India and Uzbekistan, where exports would be on higher side and Burkina where export would remain steady, all the major exporting countries are likely to face fall in exports.

According to the latest estimates by USDA, cotton production on global front is likely to be around 24.26 million tones in 2015-16, around 6.32% lower when compared to the production in 2014-15. Except India and Uzbekistan, where production is likely to remain same as the current year, all the major producing countries will witness fall in production in season 2015-16.

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
Feb-16	6.5	896	896	896	896	1	1	9	9
Apr-16	-1.5	916	919.5	912.5	914.5	812	19	2774	-73
Spread		Feb-16		Apr-16					
Spot		50		--					
Feb-16		--		-18.5					

(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 13 July 2015

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

FROM Cotton Futures - Prices in Rs./100 Bales,

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-15	40	15830	15880	15800	15860	408	54	4412	-158
Oct-15	0	16630	16670	16590	16650	173	143	1228	107
Nov-15	-30	16410	16440	16370	16440	6	5	243	80
Dec-15	-20	16420	16430	16400	16410	17	-18	1416	11
--	--	--	--	--	--	--	--	--	--

Spread	Jul-15	Oct-15	Nov-15	Dec-15		--
Spot	--					
Jul-15		-790				
Oct-15			210			
Nov-15				30		
Dec-15					--	
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 13 July 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		13-Jul-15	11-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	4730	4690	40
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	4660	4700	-40
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	4755	4705	50
	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	4780	4755	25
Guntur	Un-Ginned	4050	NA	-
Kurnool	Un-Ginned	4050	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	4050	-
	Lint	Rs/Maund (of 37.32 Kg each)		
Abohar	J-34	3805	3810	-5
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3820	3810	10
Sirsa	J-34	3720	3720	Unch
Sri-Ganganagar	J-34	3478	3478	Unch

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		13-Jul-15	11-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	475	440	35
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	NA	-
Gondal	Shankar-6	421	245	176
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	307	112	195
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	NA	NA	-
Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				11-Jul-15	10-Jul-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	33900	33900	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	34400	34400	Unch
J-34(202)	26mm	3.5 - 4.9	23	35300	35300	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34300	34300	Unch
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
		13-Jul-15	11-Jul-15	
Rajkot	Rs. /10 Kg.	610	615	-5
New Delhi	Rs. /10 Kg.	590	590	Unch
Hyderabad	Rs. /10 Kg.	580	580	Unch
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
		13-Jul-15	11-Jul-15	
Mahesana (Kadi)	Rs./Qtl	1947	Closed	-
Akola	Rs./Qtl	1853	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 13/7/2015		
Index	RMB/Ton	Change
CCIndex(328)	13203	0
CCIndex(527)	12098	0
CCIndex(229)	13845	2
RMB - Renminbi, 1RMB = 0.16 \$U.S.		

China Foreign Cotton (FC) Index : As on 13/7/2015

Index	Cents/lb	Change
FC Index (S)	79.68	-0.06
FC Index (M)	73.26	0.07
FC Index (L)	70.99	-0.18

Cotlook Index: As on 10/7/2015

Cotlook Indices	Cents/Pound	Change
A-Index	72.75	0.50

USDA Cotton Spot Rates: As on 11/7/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.01	67.26	NIL
North Delta	63.26	66.01	NIL
South Delta	63.26	66.01	NIL
East TX-OK	59.75	62.00	NIL
West Texas	59.75	62.00	NIL
Desert SW	62.51	69.01	NIL
SJ Valley	63.51	73.41	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 11/7/2015

Contract	Open	High	Low	Close	Change
15-Jul	66.17	67.00	65.51	65.51	-0.20
15-Oct	65.90	67.23	65.25	65.52	-0.34
15-Dec	65.97	67.01	65.30	65.55	-0.25
16-Mar	66.48	66.79	65.45	65.67	-0.15
16-May	66.82	66.82	65.58	65.88	-0.11
16-Jul	65.37	65.37	65.37	65.37	-0.18

Pakistan Cotton Spot rates: As on 11/7/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	4700	150	4850
Equivalent	40 Kgs	5037	160	5197

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