

## Domestic Fundamentals:

**Market Outlook:** Cotton spot prices noticed range –bound to firm tone on Thursday.

**In The News:** Cotton output had been affected to about 40 per cent in the previous year in the States of Punjab and Haryana amid whitefly attack. This year the experts of agriculture departments of both the States are undergoing training programmes for growers at village levels to educate them about the steps needed to achieve higher output. The department is asking growers to sow cotton crop timely as impact of whitefly attack was most visible on late-sown crop last year.

Good demand from the spinners and the mills is adding to the positive tone of the market during the last few days.

Drought in parts of Southern States is likely to affect the production of cotton. According to official sources, the production of cotton is likely to decline by 40% in Tamil Nadu compared to 5-6 lakh bales during previous year.

According to a recent forecast by the weather office, summer planting of cotton is likely to be delayed as above normal heat wave conditions is likely to prevail over central and northwest India from April to June this year.

The Cotton Association of India (CAI) has estimated cotton production at 345 lakh bales (of 170 kg each) in the 2015/16 season that started on October 01, 2015 lower by 37.75 lakh bales from earlier estimate. With carryover stock of about 73.60 lakh bales and imports of about 14 lakh bales, the total availability is estimated at around 432.60 lakh bales. However, CAI has pegged the total consumption at around 304 lakh bales, of which 270 lakh bales is estimated to be consumed by mills, 24 lakh bales by small scale units, while 10 lakh bales is likely to be non-mill consumption.

India exported 0.760 lakh bales of cotton last week (04 -10 Apr 2016), which was 0.712 lakh bales previous to last week (28 Mar-04 Apr 2016), according to the data released by IBIS and compiled by Agriwatch.

Major importer of Indian cotton during the week (04 -10 Apr 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.40 lakh bales of cotton from India in the past week (04 -10 Apr 2016). Other major importers were Pakistan, Vietnam, China and Indonesia and their imported volumes were 0.07 lakh bales, 0.10 lakh bales, 0.08 lakh bales and 0.07 lakh bales respectively.

Department of Agriculture, Ministry of Agriculture (MoA) in its second advance estimates, has revised the cotton production estimates downwardly for the season 2015-16 at 306.92 lakh bales (of 170 kg each). For the season 2014-15, the estimate was 346.23 lakh bales according to the first advance estimates for the season.

The Foreign Agriculture Services (FAS), division of USDA has lowered the production forecast for India in its latest report to 356 lakh bales. The reason for the downfall in the revision is lower yield expectation in Punjab and Haryana due to the attack of white fly and impact of pink bollworm in Gujarat.

According to Cotton Association of India (CAI), the arrivals during 2015-16 season up to the end of February 2016 are estimated at 245 lakh bales compared to 276.25 lakh bales arrived up to the same period last year. This reduction in the arrivals of cotton is an indication of a lower crop this season.

### International Fundamentals:

According to latest USDA attaché report, India's 2016/17 cotton production forecast is 28.5 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Mill consumption is forecast lower than the 2015/16 marketing year as demand remains weak. Exports are forecast at 5.0 million 480 lb. bales while imports are forecast at 900,000 480 lb. bales.

According to official sources, cotton output in Zimbabwe is likely to decline to 75,000 tonnes this season compared to above 100,000 tonnes previous amid unfavourable weather in the growing regions.

According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production is estimated to be same in India and Pakistan, based on arrivals at gins, but higher in European Union. World ending stocks are now projected at 102.2 million bales.

### Outlook

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

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Con_1	-	-	-	-	-	-	-	-	-
Con_2	-	-	-	-	-	-	-	-	-

  

Spread	Feb-16	Apr-16	
Spot	-	-	-
Feb-16	-	-	-

(NB: Spread was done by taking avg. spot prices at Rajkot – B.T. Cotton market. Basis = Spot- Near Month Future)

\*Updated at 5.14 pm on 14 April- 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-16	-	-	-	-	-	-	-	-	-
May-16	-	-	-	-	-	-	-	-	-
July-16	-	-	-	-	-	-	-	-	-

  

Spread	Feb-16	Mar-16	Apr-16	May-16	--	--
Spot	-	-	-	-	-	-
Apr-16	-	-	-	-	-	-
May-16	-	-	-	-	-	-
July-16	-	-	-	-	-	-

(NB: Spread Basis = Spot- Near Month Future)

\* Updated at 5.14 pm on 14 April 2016

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Apr-16	13-Apr-16	
Gujarat	Ahmedabad	Shankar-6	5100	5100	Unch
	Gondal	Shankar-6	Closed	4995	-
	Rajkot	B.T. Cotton	5115	Closed	-
	Patan	B.T. Cotton	5235	5255	-20
	Kadi	B.T. Cotton	5250	5300	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5055	5030	25
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5100	5100	Unch
	Bhiwani	Desi	4500	4500	Unch
	Adampur	B.T. Cotton	5060	5015	45
	Fatehabad	B.T. Cotton	5050	5015	35
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	4821	-
	Rawatsar	B.T. Cotton	4750	4700	50
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	5300	5340	-40
Maharashtra	Amravati	Mech-1	4900	4900	Unch
	Jamner	Medium Staple	NA	5000	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4100	-
Karnataka	Bijapur	Bunny	NA	5241	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5150	-
Commodity	Lint		Prices (Rs./Maund)		Change

State	Centre	Variety	14-Apr-16	13-Apr-16	
Punjab	Bhatinda	J-34	3655	3630	25
	Abohar	J-34	3690	3640	50
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3600	3590	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Apr-16	13-Apr-16	
Gujarat	Ahmedabad	Shankar-6	25500	25500	Unch
	Gondal	Shankar-6	Closed	2070	-
	Rajkot	B.T. Cotton	4200	Closed	-
	Patan	B.T. Cotton	2790	4560	-1770
	Kadi	B.T. Cotton	35000	35000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	190	245	-55
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	800	600	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	255	170	85
	Fatehabad	B.T. Cotton	25	80	-55
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	270	-
	Rawatsar	B.T. Cotton	30	50	-20
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	660	240	420
Maharashtra	Amravati	Mech-1	30	30	Unch
	Jamner	Medium Staple	NA	45	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-

<b>Karnataka</b>	Bijapur	Bunny	NA	1430	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1230	-
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>14-Apr-16</b>	<b>13-Apr-16</b>	
<b>Punjab</b>	Bhatinda	J-34	680	680	Unch
	Abohar	J-34	255	255	Unch
	Mansa	J-34	NA	NA	-
<b>Haryana</b>	Sirsa	J-34	85	85	Unch
<b>Rajasthan</b>	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
				13-Apr-16	12-Apr-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	30200	30200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	30700	30700	Unch
J-34(202)	26mm	3.5 - 4.9	23	33200	33200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32900	32700	200
Shankar-6(105)	29mm	3.5 - 4.9	28	34100	33800	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35700	35400	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37000	36700	300
DCH-32(107)	34mm	3.0 - 3.8	33	49600	49600	Unch

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

Centre	Unit	Price		Change
		14-Apr-16	13-Apr-16	
Rajkot	Rs. /10 Kg.	655	655	Unch
New Delhi	Rs. /10 Kg.	630	630	Unch
Hyderabad	Rs. /10 Kg.	Closed	630	-
Mumbai	Rs. /10 Kg.	660	660	Unch

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

Centre	Unit	Price		Change
		14-Apr-16	13-Apr-16	
Mahesana (Kadi)	Rs./Qtl	2407	2411	-4

Akola	Rs./Qtl	2381	2379	2
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### INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 11-April-2016		
Index	RMB/Ton	Change
CCIndex(328)	11707	11
CCIndex(527)	10742	3
CCIndex(229)	12208	7
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 14-April-2016		
Index	Cents/lb	Change
FC Index (S)	73.26	0.27
FC Index (M)	70.40	0.41
FC Index (L)	67.03	0.35

Cotlook Index: As on 13-April-2016		
Cotlook Indices	Cents/Pound	Change
A-Index	69.30	0.55

USDA Cotton Spot Rates: As on 12-April-2016			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	62.51	65.76	2,860
North Delta	61.51	64.26	Nil
South Delta	61.51	64.26	Nil
East TX-OK	56.50	58.00	415
West Texas	56.50	57.75	951
Desert SW	58.26	64.26	Nil
SJ Valley	59.51	69.41	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 13-April-2016					
Contract	Open	High	Low	Close	Change
16-May	61.61	62.37	61.31	61.63	0.12
16-Jul	60.91	61.7	60.91	61.29	0.38
16-Oct	60.81	60.81	60.81	60.81	0.43
16-Dec	59.9	60.54	59.9	60.3	0.53
17-Mar	60.19	60.91	60.19	60.73	0.67
17-May	61.24	61.44	61.2	61.26	0.63

Pakistan Cotton Spot rates: As on 9-April-2016				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5350	135	5485
Equivalent	40 Kgs	5734	145	5879

### Disclaimer

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