

## Domestic Fundamentals:

**Market Outlook:** Cotton spot prices noticed mixed tone on Monday.

**In The News:** Around 20 desi Bt-cotton varieties developed in government-funded research institutions are set to undergo mutli-location trials in the coming months. The move will make some of the varieties available to the farmers as low-cost Bt cotton seeds.

According to Cotton Association of India, Cotton supplies in Indian spot markets declined by 12 percent from a year ago to 28 million bales between October and March this season as adverse weather affected production. India is likely to harvest 34.1 million bales of cotton in the 2015/16 season that started on Oct. 1, down from last year's output of 38.3 million bales.

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

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	+4.50	780	782	762	762	4738	421	15826	0
Con_2	-	-	-	-	-	-	-	-	-

Spread	Feb-16	Apr-16	
Spot	257		-
Feb-16		762	-

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

\*Updated at 6.02 pm on 18 April- 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-16	+40.00	15700	15710	15550	15550	1018	0	398345	0
May-16	+50.00	17070	17070	16920	16970	2487	404	1050246	189474
July-16	+30.00	17280	17280	17150	17180	1996	958	837038	382953

Spread	Feb-16	Mar-16	Apr-16	May-16	--	--
Spot	---			-	-	-
Apr-16		-1420		-	-	-
May-16			-210	-	-	-
July-16	-	-	-	-	-	-

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

\* Updated at 6.02 pm on 18 April 2016

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Apr-16	16-Apr-16	
Gujarat	Ahmedabad	Shankar-6	5000	5050	-50
	Gondal	Shankar-6	Closed	4930	-
	Rajkot	B.T. Cotton	Closed	5005	-
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	5150	5175	-25
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5200	5150	50
	Bhiwani	Desi	4500	4500	Unch
	Adampur	B.T. Cotton	5000	5060	-60
	Fatehabad	B.T. Cotton	5020	5050	-30
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	4800	-
Madhya Pradesh	Khandwa	Mech-1	NA	Closed	-
	Khargaon	Mech-1	5190	Closed	-
Maharashtra	Amravati	Mech-1	4725	4750	-25
	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	4500	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	4250	-
	Raichur	H-44 Cotton	5111	5100	11
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	18-Apr-16	16-Apr-16	
Punjab	Bhatinda	J-34	3635	3640	-5

	Abohar	J-34	3650	3625	25
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3575	3560	15
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Apr-16	16-Apr-16	
Gujarat	Ahmedabad	Shankar-6	25500	25500	Unch
	Gondal	Shankar-6	Closed	1710	-
	Rajkot	B.T. Cotton	Closed	4000	-
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	10000	35000	-25000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	500	300	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	255	255	Unch
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	Closed	-
	Khargaon	Mech-1	1860	Closed	-
Maharashtra	Amravati	Mech-1	6000	4000	2000
	Jamner	Medium Staple	NA	50	-
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	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	2	-
	Raichur	H-44 Cotton	945	65	880
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Apr-16	16-Apr-16	
Punjab	Bhatinda	J-34	680	510	170
	Abohar	J-34	255	255	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	85	85	Unch
Rajasthan	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
				16-Apr-16	14-Apr-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	30700	30700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	31200	31200	Unch
J-34(202)	26mm	3.5 - 4.9	23	33200	33600	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32700	32900	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	34100	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35900	35900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37000	37000	Unch
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
		18-Apr-16	16-Apr-16	
Rajkot	Rs. /10 Kg.	Closed	670	-
New Delhi	Rs. /10 Kg.	640	630	10
Hyderabad	Rs. /10 Kg.	640	640	Unch
Mumbai	Rs. /10 Kg.	664	662	2

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

Centre	Unit	Price		Change
		18-Apr-16	16-Apr-16	
Mahesana (Kadi)	Rs./Qtl	2405	Closed	-
Akola	Rs./Qtl	2378	Closed	-

**INTERNATIONAL PRICES AND INDICES**

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

<b>China Foreign Cotton (FCE) Index : As on 15-April-2016</b>		
<b>Index</b>	<b>Cents/lb</b>	<b>Change</b>
FC Index (S)	72.77	<b>-0.49</b>
FC Index (M)	70.14	<b>-0.26</b>
FC Index (L)	66.82	<b>-0.21</b>

<b>Cotlook Index: As on 15-April-2016</b>		
<b>Cotlook Indices</b>	<b>Cents/Pound</b>	<b>Change</b>
A-Index	68.45	<b>-0.95</b>

<b>USDA Cotton Spot Rates: As on 12-April-2016</b>			
<b>Growth Area</b>	<b>Leaf 4 to Staple 34</b>	<b>Leaf 3 to Staple 35</b>	<b>Arrivals</b>
	<b>cents/lb.</b>		<b>bales</b>
<b>Southeast</b>	62.51	65.76	<b>2,860</b>
<b>North Delta</b>	61.51	64.26	<b>Nil</b>
<b>South Delta</b>	61.51	64.26	<b>Nil</b>
<b>East TX-OK</b>	56.50	58.00	<b>415</b>
<b>West Texas</b>	56.50	57.75	<b>951</b>
<b>Desert SW</b>	58.26	64.26	<b>Nil</b>
<b>SJ Valley</b>	59.51	69.41	<b>Nil</b>

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 15-April-2016					
Contract	Open	High	Low	Close	Change
16-May	60.10	60.56	59.17	60.03	-0.61
16-Jul	60.80	60.80	59.12	60.02	-0.83
16-Oct	59.59	59.59	59.59	59.59	-0.81
16-Dec	59.77	60.00	58.30	59.21	-0.81
17-Mar	60.56	60.56	58.82	59.71	-0.85
17-May	60.09	60.64	59.51	60.30	-0.79

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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