

Domestic Fundamentals:

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

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 | - | - | - | - | - | - | - | - | - |
| 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 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 | - | - | - | - | - | - | - | - | - |
| 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 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 | 19-Apr-16 | 18-Apr-16 | |
| Gujarat | Ahmedabad | Shankar-6 | 5000 | 5000 | Unch |
| | Gondal | Shankar-6 | Closed | Closed | - |
| | Rajkot | B.T. Cotton | 5005 | Closed | - |
| | Patan | B.T. Cotton | 5295 | Closed | - |
| | Kadi | B.T. Cotton | 4900 | 5150 | -250 |
| | 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 | 5200 | Unch |
| | Bhiwani | Desi | 4500 | 4500 | Unch |
| | Adampur | B.T. Cotton | 5050 | 5000 | 50 |
| | Fatehabad | B.T. Cotton | 5025 | 5020 | 5 |
| | 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 | 4830 | NA | - |
| Madhya Pradesh | Khandwa | Mech-1 | NA | NA | - |
| | Khargaon | Mech-1 | 5190 | 5190 | Unch |
| Maharashtra | Amravati | Mech-1 | 4850 | 4725 | 125 |
| | Jamner | Medium Staple | NA | 4930 | - |
| 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 | 5231 | 5259 | -28 |
| | Hubli | D.C.H. | NA | 3755 | - |
| | Hubli | B.T. Cotton | NA | 3030 | - |
| | Raichur | H-44 Cotton | NA | 5111 | - |
| Commodity | Lint | | Prices (Rs./Maund) | | Change |
| State | Centre | Variety | 19-Apr-16 | 18-Apr-16 | |
| Punjab | Bhatinda | J-34 | 3680 | 3635 | 45 |

| | | | | | |
|-----------|----------------|------|------|------|----|
| | Abohar | J-34 | 3700 | 3650 | 50 |
| | Mansa | J-34 | NA | NA | - |
| | Muktsar | J-34 | NR | NR | - |
| | Fazilika | J-34 | NR | NR | - |
| Haryana | Sirsa | J-34 | 3600 | 3575 | 25 |
| Rajasthan | Sri-Ganganagar | J-34 | NA | NA | - |

Cotton Arrivals in Key Centers:

| Commodity | Kapas | | Arrivals (Quintal) | | Change |
|----------------|---------------|---------------|--------------------|-----------|--------|
| State | Centre | Variety | 19-Apr-16 | 18-Apr-16 | |
| Gujarat | Ahmedabad | Shankar-6 | 25500 | 25500 | Unch |
| | Gondal | Shankar-6 | Closed | Closed | - |
| | Rajkot | B.T. Cotton | 4000 | Closed | - |
| | Patan | B.T. Cotton | 3110 | Closed | - |
| | Kadi | B.T. Cotton | 10000 | 10000 | Unch |
| | 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 | 500 | Unch |
| | 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 | NA | - |
| | Khargaon | Mech-1 | 1860 | 1860 | Unch |
| Maharashtra | Amravati | Mech-1 | 5500 | 6000 | -500 |
| | Jamner | Medium Staple | NA | 40 | - |
| 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 | 1840 | 1150 | 690 |
| | Hubli | D.C.H. | NA | 2 | - |

| | Hubli | B.T. Cotton | NA | 2 | - |
|-----------|----------------|-------------|--------------------|-----------|--------|
| | Raichur | H-44 Cotton | NA | 945 | - |
| Commodity | Lint | | Arrivals (Quintal) | | Change |
| State | Centre | Variety | 19-Apr-16 | 18-Apr-16 | |
| Punjab | Bhatinda | J-34 | 510 | 680 | -170 |
| | Abohar | J-34 | 170 | 255 | -85 |
| | 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 |
|---------------------------------------|------------|------------|------------------|---------------|---------------|--------|
| | | | | 18-Apr-16 | 16-Apr-16 | |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0 | 15 | 31100 | 30700 | 400 |
| Bengal Deshi (SG)(201) | Below 22mm | 5.0 - 7.0 | 15 | 31600 | 31200 | 400 |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 33400 | 33200 | 200 |
| H-4/ MECH-1(105) | 28mm | 3.5 - 4.9 | 27 | 32700 | 32700 | Unch |
| Shankar-6(105) | 29mm | 3.5 - 4.9 | 28 | 34100 | 33900 | 200 |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 36100 | 35900 | 200 |
| MCU-5/ Surabhi(106) | 32mm | 3.3 - 4.9 | 31 | 37200 | 37000 | 200 |
| 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 |
|-----------|-------------|-----------|-----------|--------|
| | | 19-Apr-16 | 18-Apr-16 | |
| Rajkot | Rs. /10 Kg. | 675 | Closed | - |
| New Delhi | Rs. /10 Kg. | 640 | 640 | Unch |
| Hyderabad | Rs. /10 Kg. | 640 | 640 | Unch |
| Mumbai | Rs. /10 Kg. | 660 | 664 | -4 |

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

| Centre | Unit | Price | | Change |
|-----------------|---------|-----------|-----------|--------|
| | | 19-Apr-16 | 18-Apr-16 | |
| Mahesana (Kadi) | Rs./Qtl | 2405 | 2405 | Unch |
| Akola | Rs./Qtl | 2378 | 2378 | Unch |

INTERNATIONAL PRICES AND INDICES

| China Cotton Index: As on 19-April-2016 | | |
|--|----------------|---------------|
| Index | RMB/Ton | Change |
| CCIndex(328) | 12083 | 82 |
| CCIndex(527) | 11018 | 56 |
| CCIndex(229) | 12481 | 39 |
| RMB -Renminbi, 1RMB =0.16 \$U.S. | | |

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

| Cotlook Index: As on 18-April-2016 | | |
|---|--------------------|---------------|
| Cotlook Indices | Cents/Pound | Change |
| A-Index | 67.85 | -0.60 |

| USDA Cotton Spot Rates: As on 18-April-2016 | | | |
|--|----------------------------|----------------------------|-----------------|
| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
| | cents/lb. | | bales |
| Southeast | 63.23 | 66.48 | 493 |
| North Delta | 62.73 | 65.48 | Nil |
| South Delta | 62.73 | 65.48 | Nil |
| East TX-OK | 56.50 | 58.00 | 21 |
| West Texas | 56.50 | 57.75 | 845 |
| Desert SW | 58.98 | 64.98 | Nil |
| SJ Valley | 60.23 | 70.13 | 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 18-April-2016

| Contract | Open | High | Low | Close | Change |
|---------------|-------|-------|-------|-------|-------------|
| 16-May | 59.80 | 62.17 | 59.61 | 62.15 | 2.12 |
| 16-Jul | 59.89 | 62.45 | 59.65 | 62.23 | 2.21 |
| 16-Oct | 61.56 | 61.56 | 61.56 | 61.56 | 1.97 |
| 16-Dec | 59.19 | 61.09 | 58.99 | 61.00 | 1.79 |
| 17-Mar | 59.60 | 61.30 | 59.60 | 61.27 | 1.56 |
| 17-May | 60.85 | 61.73 | 60.85 | 61.73 | 1.43 |

Pakistan Cotton Spot rates: As on 18-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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