

## Domestic Fundamentals:

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

**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.

According to Cotton Association of India (CAI), output of cotton in India for 2015 -16 season is estimated to be around 341 lakh bales compared to 382.75 lakh bales in 2014 -15. The projected balance sheet drawn by the CAI estimated total cotton supply for the season 2015-16 at 428.60 lakh bales while the domestic consumption is estimated at 305 lakh bales.

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 March 2016 are estimated at 280.15 lakh bales compared to 318.45 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 the CNCotton.com, China imported 57,900 tonnes of cotton in March, down 54.7 percent compared to same period previous year.

Pakistan cotton production for the outgoing season (2015-16) is likely to be missed by 35 percent and it is expected at 10.1 million bales against the initial target of 15.49 million bales.

Turkey's plan to slap anti-dumping duties on U.S. cotton imports will increase the cost of raw materials for Turkish textile producers and affect the competitiveness of their exports. This decision is likely to increase the cost of raw materials by 2 -3 per cent.

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	764	765	752	752	4193	-545	15826	0
Con_2	-	-	-	-	-	-	-	-	-

Spread	Feb-16	Apr-16	
Spot	260		-
Feb-16		752	-

(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	+50.00	17210	17210	16920	16960	1326	695	564756	-315555
May-16	+30.00	17280	17280	17150	17180	2237	252	965065	-79514
July-16	-	-	-	-	-	-	-	-	-

Spread	Feb-16	Mar-16	Apr-16	May-16	--	--
Spot	---			-	-	-
Apr-16		-1410		-	-	-
May-16			-220	-	-	-
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	20-Apr-16	19-Apr-16	
Gujarat	Ahmedabad	Shankar-6	5100	5000	100
	Gondal	Shankar-6	4965	Closed	-
	Rajkot	B.T. Cotton	5060	5005	55
	Patan	B.T. Cotton	Closed	5295	-
	Kadi	B.T. Cotton	5200	4900	300
	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	4570	4500	70
	Adampur	B.T. Cotton	5080	5050	30
	Fatehabad	B.T. Cotton	5000	5025	-25
	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	4830	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	5190	-
Maharashtra	Amravati	Mech-1	4750	4850	-100
	Jamner	Medium Staple	4940	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4300	4300	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	4500	-
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	NA	5231	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5200	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Apr-16	19-Apr-16	
Punjab	Bhatinda	J-34	3700	3680	20

	Abohar	J-34	3725	3700	25
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3620	3600	20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Apr-16	19-Apr-16	
Gujarat	Ahmedabad	Shankar-6	25500	25500	Unch
	Gondal	Shankar-6	1734	Closed	-
	Rajkot	B.T. Cotton	4400	4000	400
	Patan	B.T. Cotton	Closed	3110	-
	Kadi	B.T. Cotton	15000	10000	5000
	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	600	500	100
	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	NA	1860	-
Maharashtra	Amravati	Mech-1	9000	5500	3500
	Jamner	Medium Staple	40	NA	-
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	1840	-
	Hubli	D.C.H.	NA	NA	-

	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	697	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Apr-16	19-Apr-16	
Punjab	Bhatinda	J-34	510	510	Unch
	Abohar	J-34	85	170	-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
				19-Apr-16	18-Apr-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31100	31100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	31600	31600	Unch
J-34(202)	26mm	3.5 - 4.9	23	33500	33400	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32700	100
Shankar-6(105)	29mm	3.5 - 4.9	28	34200	34100	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36200	36100	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37300	37200	100
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
		20-Apr-16	19-Apr-16	
Rajkot	Rs. /10 Kg.	675	675	Unch
New Delhi	Rs. /10 Kg.	650	640	10
Hyderabad	Rs. /10 Kg.	650	640	10
Mumbai	Rs. /10 Kg.	665	660	5

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

Centre	Unit	Price		Change
		20-Apr-16	19-Apr-16	
Mahesana (Kadi)	Rs./Qtl	2376	2405	-29
Akola	Rs./Qtl	2382	2378	4

**INTERNATIONAL PRICES AND INDICES**

<b>China Cotton Index: As on 20-April-2016</b>		
<b>Index</b>	<b>RMB/Ton</b>	<b>Change</b>
CCIndex(328)	12175	<b>92</b>
CCIndex(527)	11115	<b>97</b>
CCIndex(229)	12526	<b>45</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 19-April-2016</b>		
<b>Cotlook Indices</b>	<b>Cents/Pound</b>	<b>Change</b>
A-Index	69.90	<b>2.05</b>

<b>USDA Cotton Spot Rates: As on 19-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>	64.07	67.32	<b>Nil</b>
<b>North Delta</b>	63.57	66.32	<b>Nil</b>
<b>South Delta</b>	63.57	66.32	<b>Nil</b>
<b>East TX-OK</b>	56.50	58.00	<b>576</b>
<b>West Texas</b>	56.50	57.75	<b>4376</b>
<b>Desert SW</b>	59.82	65.82	<b>Nil</b>
<b>SJ Valley</b>	61.07	70.97	<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 19-April-2016					
Contract	Open	High	Low	Close	Change
16-May	62.16	63.11	61.50	62.69	0.54
16-Jul	62.25	63.22	61.51	63.07	0.84
16-Oct	61.62	62.99	61.62	62.51	0.95
16-Dec	60.86	61.68	60.31	61.59	0.59
17-Mar	61.30	61.97	60.77	61.90	0.63
17-May	61.32	62.32	61.32	62.32	0.59

Pakistan Cotton Spot rates: As on 19-April-2016				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5450	135	5585
Equivalent	40 Kgs	5841	145	5986

### Disclaimer

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