

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed mixed tone on Thursday.

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 0.468 lakh bales of cotton last week (11 -17 Apr 2016), which was 0.760 lakh bales previous to last week (04 -10 Apr 2016), according to the data released by IBIS and compiled by Agriwatch.

Major importer of Indian cotton during the week (11 -17 Apr 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.20 lakh bales of cotton from India in the past week (11 -17 Apr 2016). Other major importers were Pakistan, Vietnam, China and Indonesia and their imported volumes were 0.12 lakh bales, 0.06 lakh bales, 0.03 lakh bales and 0.003 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. Annual sales of cotton to start from May to August and sales halt from Sept to Feb the next year. For 2016, total sales less than 2 million tonnes from May 3 to Aug 31.

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. World 2015-16 cotton production is projected at 99.8 million bales, 16 per cent below last season. 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	754	760	750	752	1261	-2932	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 5.25 pm on 21 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	2306	-980	994170	429414
May-16	+30.00	17280	17280	17150	17180	3693	1456	1608219	643154
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 5.25 pm on 21 April 2016

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	21-Apr-16	20-Apr-16	
Gujarat	Ahmedabad	Shankar-6	5125	5100	25
	Gondal	Shankar-6	4960	4965	-5
	Rajkot	B.T. Cotton	5055	5060	-5
	Patan	B.T. Cotton	5130	Closed	-
	Kadi	B.T. Cotton	5250	5200	50
	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	4570	Unch
	Adampur	B.T. Cotton	5025	5080	-55
	Fatehabad	B.T. Cotton	5050	5000	50
	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	4800	4830	-30
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	5180	NA	-
Maharashtra	Amravati	Mech-1	4800	4750	50
	Jamner	Medium Staple	4964	4940	24
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	NA	-
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	3610	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5150	5200	-50
Commodity	Lint		Prices (Rs./Maund)		Change

State	Centre	Variety	21-Apr-16	20-Apr-16	
Punjab	Bhatinda	J-34	3735	3700	35
	Abohar	J-34	3750	3725	25
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3640	3620	20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Apr-16	20-Apr-16	
Gujarat	Ahmedabad	Shankar-6	25500	25500	Unch
	Gondal	Shankar-6	1584	1734	-150
	Rajkot	B.T. Cotton	3200	4400	-1200
	Patan	B.T. Cotton	4430	Closed	-
	Kadi	B.T. Cotton	12500	15000	-2500
	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	200	600	-400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	289	255	34
	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	2070	NA	-
Maharashtra	Amravati	Mech-1	13000	9000	4000
	Jamner	Medium Staple	30	40	-10
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.	2	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	690	697	-7
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	21-Apr-16	20-Apr-16	
Punjab	Bhatinda	J-34	510	510	Unch
	Abohar	J-34	85	85	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
				20-Apr-16	19-Apr-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31300	31100	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	31800	31600	200
J-34(202)	26mm	3.5 - 4.9	23	33700	33500	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34200	34200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36200	36200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37300	37300	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
		21-Apr-16	20-Apr-16	
Rajkot	Rs. /10 Kg.	675	675	Unch
New Delhi	Rs. /10 Kg.	660	650	10
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	670	665	5

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

Centre	Unit	Price		Change
		21-Apr-16	20-Apr-16	

Mahesana (Kadi)	Rs./Qtl	2357	2376	-19
Akola	Rs./Qtl	2375	2382	-7

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 21-April-2016		
Index	RMB/Ton	Change
CCIndex(328)	12271	96
CCIndex(527)	11150	35
CCIndex(229)	12579	53
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 20-April-2016		
Cotlook Indices	Cents/Pound	Change
A-Index	70.65	0.75

USDA Cotton Spot Rates: As on 20-April-2016			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.09	68.34	Nil
North Delta	64.59	67.34	Nil
South Delta	64.59	67.34	Nil
East TX-OK	56.50	58.00	3101
West Texas	56.50	57.75	2009
Desert SW	60.84	66.84	Nil
SJ Valley	62.09	71.99	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 20-April-2016					
Contract	Open	High	Low	Close	Change
16-May	62.75	64.38	61.82	63.80	1.11
16-Jul	63.20	64.74	62.06	64.09	1.02
16-Oct	62.62	63.24	61.98	63.24	0.73
16-Dec	61.70	62.80	60.85	62.29	0.70
17-Mar	62.00	63.10	61.20	62.61	0.71
17-May	62.45	63.30	61.81	62.91	0.59

Pakistan Cotton Spot rates: As on 20-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

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