

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed steady to firm tone on Friday.

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	750.5	753	748	752.50	1609	348	15826	0
Con_2	-	-	-	-	-	-	-	-	-

Spread	Feb-16	Apr-16	
Spot	258.5		-
Feb-16		752.5	-

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

*Updated at 5.45 pm on 22 April- 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-16	17210	17210	16920	16960	1476	830	61651 9	-377651	17210
May-16	17280	17280	17150	17180	2026	-1667	87991 1	-728308	17280
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 5.45 pm on 22 April 2016

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	22-Apr-16	21-Apr-16	
Gujarat	Ahmedabad	Shankar-6	5125	5125	Unch
	Gondal	Shankar-6	Closed	4960	-
	Rajkot	B.T. Cotton	Closed	5055	-
	Patan	B.T. Cotton	Closed	5130	-
	Kadi	B.T. Cotton	5250	5250	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	5200	5200	Unch
	Bhiwani	Desi	4700	4570	130
	Adampur	B.T. Cotton	5100	5025	75
	Fatehabad	B.T. Cotton	5050	5050	Unch
	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	4850	4800	50
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	5160	5180	-20
Maharashtra	Amravati	Mech-1	4900	4800	100
	Jamner	Medium Staple	4976	4964	12
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	NA	4100	-
Karnataka	Bijapur	Bunny	5289	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	3610	-
	Raichur	H-44 Cotton	5225	5150	75
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Apr-16	21-Apr-16	

Punjab	Bhatinda	J-34	3770	3735	35
	Abohar	J-34	3770	3750	20
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3670	3640	30
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Apr-16	21-Apr-16	
Gujarat	Ahmedabad	Shankar-6	25500	25500	Unch
	Gondal	Shankar-6	Closed	1584	-
	Rajkot	B.T. Cotton	Closed	3200	-
	Patan	B.T. Cotton	Closed	4430	-
	Kadi	B.T. Cotton	15000	12500	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	300	200	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	255	289	-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	1340	2070	-730
Maharashtra	Amravati	Mech-1	10000	13000	-3000
	Jamner	Medium Staple	26	30	-4
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	2140	NA	-

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	2	-
	Raichur	H-44 Cotton	270	690	-420
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	22-Apr-16	21-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
				21-Apr-16	20-Apr-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31600	31300	300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32100	31800	300
J-34(202)	26mm	3.5 - 4.9	23	34000	33700	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33100	32800	300
Shankar-6(105)	29mm	3.5 - 4.9	28	34500	34200	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36400	36200	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37500	37300	200
DCH-32(107)	34mm	3.0 - 3.8	33	50000	49600	400

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

Centre	Unit	Price		Change
		22-Apr-16	21-Apr-16	
Rajkot	Rs. /10 Kg.	680	675	5
New Delhi	Rs. /10 Kg.	660	660	Unch
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	670	670	Unch

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

Centre	Unit	Price		Change
		22-Apr-16	21-Apr-16	
Mahesana (Kadi)	Rs./Qtl	2340	2357	-17

Akola	Rs./Qtl	2358	2375	-17
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INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 22-April-2016		
Index	RMB/Ton	Change
CCIndex(328)	12369	98
CCIndex(527)	11218	68
CCIndex(229)	12685	106
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 21-April-2016		
Cotlook Indices	Cents/Pound	Change
A-Index	71.65	1.00

USDA Cotton Spot Rates: As on 21-April-2016			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.01	68.26	12327
North Delta	64.51	67.26	Nil
South Delta	64.51	67.26	Nil
East TX-OK	56.50	58.00	655
West Texas	56.75	58.00	3833
Desert SW	60.76	66.76	97
SJ Valley	62.01	71.91	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 21-April-2016					
Contract	Open	High	Low	Close	Change
16-May	63.99	64.27	62.75	63.49	-0.31
16-Jul	64.17	64.57	62.98	64.01	-0.08
16-Oct	3-Mar	63.25	62.81	63.25	0.01
16-Dec	2-Mar	62.99	61.50	62.70	0.41
17-Mar	62.75	63.3	61.9	63.13	0.52
17-May	63.46	63.55	62.64	63.55	0.64

Pakistan Cotton Spot rates: As on 21-April-2016				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5500	135	5635
Equivalent	40 Kgs	5894	145	6039

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