

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed weak tone on Saturday.

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	-	-	-	-	-	-	-	-	-
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 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	-	-	-	-	-	-	-	-	-
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 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	23-Apr-16	22-Apr-16	
Gujarat	Ahmedabad	Shankar-6	5125	5125	Unch
	Gondal	Shankar-6	4990	Closed	-
	Rajkot	B.T. Cotton	5070	Closed	-
	Patan	B.T. Cotton	5085	Closed	-
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5200	5200	Unch
	Bhiwani	Desi	4700	4700	Unch
	Adampur	B.T. Cotton	5070	5100	-30
	Fatehabad	B.T. Cotton	5025	5050	-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	4800	4850	-50
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	5145	5160	-15
Maharashtra	Amravati	Mech-1	4850	4900	-50
	Jamner	Medium Staple	NA	4976	-
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	4500	NA	-
	East Godavari	Un-Ginned	4100	NA	-
Karnataka	Bijapur	Bunny	5261	5289	-28
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	3510	-
	Raichur	H-44 Cotton	5200	5225	-25
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Apr-16	22-Apr-16	

Punjab	Bhatinda	J-34	3750	3770	-20
	Abohar	J-34	3750	3770	-20
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3660	3670	-10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change	
	State	Centre	Variety	23-Apr-16		22-Apr-16
Gujarat	Ahmedabad	Shankar-6		25500	25500	Unch
	Gondal	Shankar-6		1254	Closed	-
	Rajkot	B.T. Cotton		2700	Closed	-
	Patan	B.T. Cotton		4050	Closed	-
	Kadi	B.T. Cotton		25000	15000	10000
	Deesa	B.T. Cotton		NA	NA	-
	Dhrol	B.T. Cotton		NR	NR	-
Punjab	Fazilika	B.T. Cotton		NR	NR	-
	Muktsar	B.T. Cotton		NA	NA	-
Haryana	Bhiwani	B.T. Cotton		600	300	300
	Bhiwani	Desi		NA	NA	-
	Adampur	B.T. Cotton		213	255	-43
	Fatehabad	B.T. Cotton		30	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		540	1340	-800
Maharashtra	Amravati	Mech-1		14000	10000	4000
	Jamner	Medium Staple		NA	26	-
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		1320	2140	-820

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	2	-
	Raichur	H-44 Cotton	360	270	90
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Apr-16	22-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
				22-Apr-16	21-Apr-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31700	31600	100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32200	32100	100
J-34(202)	26mm	3.5 - 4.9	23	34000	34000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33100	33100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34500	34500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36400	36400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37500	37500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	50000	50000	Unch

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

Centre	Unit	Price		Change
		23-Apr-16	22-Apr-16	
Rajkot	Rs. /10 Kg.	680	680	Unch
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
		23-Apr-16	22-Apr-16	
Mahesana (Kadi)	Rs./Qtl	2342	2340	2

Akola	Rs./Qtl	2364	2358	6
-------	---------	------	------	----------

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 22-April-2016					
Contract	Open	High	Low	Close	Change
16-May	63.68	64.42	62.20	63.08	-0.41
16-Jul	64.00	64.02	62.88	63.69	-0.32
16-Oct	62.71	63.03	62.71	63.03	-0.22
16-Dec	62.68	62.73	61.44	62.52	-0.18
17-Mar	63.12	63.12	62.03	62.84	-0.29
17-May	63.55	63.55	62.5	63.18	-0.37

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2015 Indian Agribusiness Systems Pvt. Ltd.