

## Domestic Fundamentals:

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

**In The News:** The Telangana government has asked the farmers in the state to plant alternative crops for cotton in the coming kharif season and reduce the area under cotton amid likely decline in cotton prices this year. Telangana is among the top cotton growing States in the country. But farmers have been under tremendous financial pressure in the last three to four years, with monsoon and cottonseed having failed them. Farmers have been investing and they are not getting good returns.

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.

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.

According to the data released by the national cotton association, Burkina Faso produced 581,000 tonnes of raw cotton in the recently ended 2015/16 season, down 18 percent from the previous harvest and well short of its aim of a record crop of 800,000 tonnes.

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	751.50	753.00	749.50	750	1163	15826	1609	15826
Con_2	-	-	-	-	-	-	-	-	-

  

Spread	Feb-16	Apr-16	
Spot	259		-
Feb-16		750	-

(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	+50.00	17170	17210	16920	16960	815	661	350560	-265959
May-16	+30.00	17280	17280	17150	17180	1610	-416	700390	-179521
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	25-Apr-16	23-Apr-16	
Gujarat	Ahmedabad	Shankar-6	5100	5125	-25
	Gondal	Shankar-6	5000	4990	10
	Rajkot	B.T. Cotton	5045	5070	-25
	Patan	B.T. Cotton	5105	5085	20
	Kadi	B.T. Cotton	5200	5250	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5060	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5200	5200	Unch
	Bhiwani	Desi	4800	4700	100
	Adampur	B.T. Cotton	5090	5070	20
	Fatehabad	B.T. Cotton	5060	5025	35
	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	4800	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	5130	5145	-15
Maharashtra	Amravati	Mech-1	4775	4850	-75
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4280	4300	-20
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	5221	5261	-40
	Hubli	D.C.H.	NA	3509	-
	Hubli	B.T. Cotton	NA	3509	-
	Raichur	H-44 Cotton	5250	5200	50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	25-Apr-16	23-Apr-16	

<b>Punjab</b>	Bhatinda	J-34	3765	3750	<b>15</b>
	Abohar	J-34	3750	3750	<b>Unch</b>
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	3670	3660	<b>10</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	25-Apr-16	23-Apr-16	
<b>Gujarat</b>	Ahmedabad	Shankar-6	23800	25500	<b>-1700</b>
	Gondal	Shankar-6	1859	1254	<b>605</b>
	Rajkot	B.T. Cotton	3200	2700	<b>500</b>
	Patan	B.T. Cotton	4200	4050	<b>150</b>
	Kadi	B.T. Cotton	25000	25000	<b>Unch</b>
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	232	NR	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	600	600	<b>Unch</b>
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	255	213	<b>43</b>
	Fatehabad	B.T. Cotton	10	30	<b>-20</b>
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	1400	540	<b>860</b>
<b>Maharashtra</b>	Amravati	Mech-1	12000	14000	<b>-2000</b>
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	NA	NA	-
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	880	1320	<b>-440</b>

	Hubli	D.C.H.	NA	2	-
	Hubli	B.T. Cotton	NA	2	-
	Raichur	H-44 Cotton	405	360	45
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	25-Apr-16	23-Apr-16	
Punjab	Bhatinda	J-34	425	510	-85
	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
				23-Apr-16	22-Apr-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31700	31700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32200	32200	Unch
J-34(202)	26mm	3.5 - 4.9	23	34000	34000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	33100	-100
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
		25-Apr-16	23-Apr-16	
Rajkot	Rs. /10 Kg.	675	680	-5
New Delhi	Rs. /10 Kg.	660	660	Unch
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	672	670	2

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

Centre	Unit	Price		Change
		25-Apr-16	23-Apr-16	
Mahesana (Kadi)	Rs./Qtl	2320	2342	-22

Akola	Rs./Qtl	2351	2364	<b>-13</b>
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### INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 25-April-2016		
Index	RMB/Ton	Change
CCIndex(328)	12367	<b>-2</b>
CCIndex(527)	11218	<b>Unch</b>
CCIndex(229)	12685	<b>Unch</b>
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 22-April-2016		
Index	Cents/lb	Change
FC Index (S)	75.15	<b>Unch</b>
FC Index (M)	72.41	<b>Unch</b>
FC Index (L)	69.91	<b>Unch</b>

Cotlook Index: As on 22-April-2016		
Cotlook Indices	Cents/Pound	Change
A-Index	71.60	<b>-0.05</b>

USDA Cotton Spot Rates: As on 22-April-2016			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
<b>Southeast</b>	64.69	67.94	<b>345</b>
<b>North Delta</b>	64.19	66.94	<b>Nil</b>
<b>South Delta</b>	64.19	66.94	<b>Nil</b>
<b>East TX-OK</b>	57.00	58.50	<b>1052</b>
<b>West Texas</b>	57.25	58.50	<b>1680</b>
<b>Desert SW</b>	60.44	66.44	<b>Nil</b>
<b>SJ Valley</b>	61.69	71.59	<b>Nil</b>
<p>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</p>			

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 23-April-2016				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5550	135	5685
Equivalent	40 Kgs	5948	145	6093

#### Disclaimer

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