

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed range –bound to weak tone on Tuesday.

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	750	751	747	750.50	623	-540	15826	0
Con_2	-	-	-	-	-	-	-	-	-

Spread	Feb-16	Apr-16	
Spot	255.5		-
Feb-16		750.5	-

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

*Updated at 5.36 pm on 26 April- 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-16	+50.00	17300	17360	17290	17320	481	334	193246	-157314
May-16	+30.00	17280	17280	17150	17180	1829	219	788844	88454
July-16	-	-	-	-	-	-	-	-	-

Spread	Feb-16	Mar-16	Apr-16	May-16	--	--
Spot	---			-	-	-
Apr-16		-1770		-	-	-
May-16			140	-	-	-
July-16	-	-	-	-	-	-

(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5.36 pm on 26 April 2016

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Apr-16	25-Apr-16	
Gujarat	Ahmedabad	Shankar-6	5125	5100	25
	Gondal	Shankar-6	5000	5000	Unch
	Rajkot	B.T. Cotton	5030	5045	-15
	Patan	B.T. Cotton	5060	5105	-45
	Kadi	B.T. Cotton	5100	5200	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5015	5060	-45
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	5200	5200	Unch
	Bhiwani	Desi	4800	4800	Unch
	Adampur	B.T. Cotton	5030	5090	-60
	Fatehabad	B.T. Cotton	5025	5060	-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	5090	5130	-40
Maharashtra	Amravati	Mech-1	4775	4775	Unch
	Jamner	Medium Staple	4910	4940	-30
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	4100	Unch
Karnataka	Bijapur	Bunny	5279	5221	58
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5200	5250	-50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Apr-16	25-Apr-16	

Punjab	Bhatinda	J-34	3780	3765	15
	Abohar	J-34	3775	3750	25
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3670	3670	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Apr-16	25-Apr-16	
Gujarat	Ahmedabad	Shankar-6	22100	23800	-1700
	Gondal	Shankar-6	2870	1859	1011
	Rajkot	B.T. Cotton	2400	3200	-800
	Patan	B.T. Cotton	4960	4200	760
	Kadi	B.T. Cotton	20000	25000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	257	232	25
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	600	600	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	170	255	-85
	Fatehabad	B.T. Cotton	NA	10	-
	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	2220	1400	820
Maharashtra	Amravati	Mech-1	13000	12000	1000
	Jamner	Medium Staple	31	30	1
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	1430	880	550

	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	645	405	240
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-Apr-16	25-Apr-16	
Punjab	Bhatinda	J-34	340	425	-85
	Abohar	J-34	68	85	-17
	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
				25-Apr-16	23-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	33600	33000	600
Shankar-6(105)	29mm	3.5 - 4.9	28	34400	34500	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36900	36400	500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37800	37500	300
DCH-32(107)	34mm	3.0 - 3.8	33	49500	50000	-500

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

Centre	Unit	Price		Change
		26-Apr-16	25-Apr-16	
Rajkot	Rs. /10 Kg.	670	675	-5
New Delhi	Rs. /10 Kg.	660	660	Unch
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	665	672	-7

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

Centre	Unit	Price		Change
		26-Apr-16	25-Apr-16	
Mahesana (Kadi)	Rs./Qtl	2302	2320	-18

Akola	Rs./Qtl	2340	2351	-11
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INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 26-April-2016		
Index	RMB/Ton	Change
CCIndex(328)	12368	1
CCIndex(527)	11238	20
CCIndex(229)	12687	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 26-April-2016		
Index	Cents/lb	Change
FC Index (S)	75.11	0.29
FC Index (M)	72.25	0.11
FC Index (L)	70.00	0.28

Cotlook Index: As on 25-April-2016		
Cotlook Indices	Cents/Pound	Change
A-Index	71.35	-0.25

USDA Cotton Spot Rates: As on 25-April-2016			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.04	68.29	87
North Delta	64.54	67.29	Nil
South Delta	64.54	67.29	16
East TX-OK	57.50	59.00	176
West Texas	57.75	59.00	1468
Desert SW	60.79	66.79	Nil
SJ Valley	62.04	71.94	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 25-April-2016					
Contract	Open	High	Low	Close	Change
16-May	63.89	65.94	63.15	64.77	1.69
16-Jul	63.69	64.35	63.10	64.04	0.35
16-Oct	63.13	63.13	63.13	63.13	0.10
16-Dec	62.43	62.94	61.72	62.72	0.20
17-Mar	62.51	63.24	62.03	63.06	0.22
17-May	63.19	63.56	63.15	63.42	0.24

Pakistan Cotton Spot rates: As on 25-April-2016				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5650	135	5785
Equivalent	40 Kgs	6055	145	6200

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