

Domestic Fundamentals:

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

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 a recent attaché report released by the USDA, Australian production in 2015/16 is estimated at 2.4 million bales, or four percent below the official forecast, as a result of adverse weather. The area harvested in 2016/17 is forecast at 280,000 hectares, compared to 263,000 hectares in 2015/16 and slightly below the official estimate.

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	746	751	746	750.50	454	-169	15826	0
Con_2	-	-	-	-	-	-	-	-	-

Spread	Feb-16	Apr-16	
Spot	264.5		-
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 5.39 pm on 27 April- 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-16	+50.00	17260	17300	17240	17270	360	121	150236	-43010
May-16	+30.00	17280	17280	17150	17180	1461	-368	620169	-168675
July-16	-	-	-	-	-	-	-	-	-

Spread	Feb-16	Mar-16	Apr-16	May-16	--	--
Spot	—			-	-	-
Apr-16		-1720		-	-	-
May-16			90	-	-	-
July-16	-	-	-	-	-	-

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

* Updated at 5.39 pm on 27 April 2016

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	27-Apr-16	26-Apr-16	
Gujarat	Ahmedabad	Shankar-6	5125	5125	Unch
	Gondal	Shankar-6	4955	5000	-45
	Rajkot	B.T. Cotton	5075	5030	45
	Patan	B.T. Cotton	5025	5060	-35
	Kadi	B.T. Cotton	5100	5100	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5105	5015	90
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	5020	5030	-10
	Fatehabad	B.T. Cotton	5000	5025	-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	4850	4800	50
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	5130	5090	40
Maharashtra	Amravati	Mech-1	4750	4775	-25
	Jamner	Medium Staple	NA	4910	-
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	4500	-
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	5275	5279	-4
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5200	-
Commodity	Lint		Prices (Rs./Maund)		Change

State	Centre	Variety	27-Apr-16	26-Apr-16	
Punjab	Bhatinda	J-34	3775	3780	-5
	Abohar	J-34	3775	3775	Unch
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3680	3670	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Apr-16	26-Apr-16	
Gujarat	Ahmedabad	Shankar-6	25500	22100	3400
	Gondal	Shankar-6	1320	2870	-1550
	Rajkot	B.T. Cotton	1900	2400	-500
	Patan	B.T. Cotton	4210	4960	-750
	Kadi	B.T. Cotton	15000	20000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	69	257	-188
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	255	170	85
	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	1800	2220	-420
Maharashtra	Amravati	Mech-1	10000	13000	-3000
	Jamner	Medium Staple	NA	31	-
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	1100	1430	-330
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	645	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	27-Apr-16	26-Apr-16	
Punjab	Bhatinda	J-34	340	340	Unch
	Abohar	J-34	68	68	Unch
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	102	85	17
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
				26-Apr-16	25-Apr-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	31900	31700	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	32400	32200	200
J-34(202)	26mm	3.5 - 4.9	23	34100	34000	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33700	33600	100
Shankar-6(105)	29mm	3.5 - 4.9	28	34500	34400	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37000	36900	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37900	37800	100
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49500	Unch

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

Centre	Unit	Price		Change
		27-Apr-16	26-Apr-16	
Rajkot	Rs. /10 Kg.	670	670	Unch
New Delhi	Rs. /10 Kg.	660	660	Unch
Hyderabad	Rs. /10 Kg.	640	650	-10
Mumbai	Rs. /10 Kg.	665	665	Unch

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

Centre	Unit	Price		Change
		27-Apr-16	26-Apr-16	

Mahesana (Kadi)	Rs./Qtl	2274	2302	-28
Akola	Rs./Qtl	2316	2340	-24

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 27-April-2016		
Index	RMB/Ton	Change
CCIndex(328)	12369	1
CCIndex(527)	11249	11
CCIndex(229)	12688	1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 27-April-2016		
Index	Cents/lb	Change
FC Index (S)	74.94	-0.17
FC Index (M)	72.08	-0.17
FC Index (L)	69.81	-0.19

Cotlook Index: As on 26-April-2016		
Cotlook Indices	Cents/Pound	Change
A-Index	71.60	0.25

USDA Cotton Spot Rates: As on 26-April-2016			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.83	68.08	35
North Delta	64.33	67.08	Nil
South Delta	64.33	67.08	Nil
East TX-OK	58.00	59.50	585
West Texas	58.00	59.75	150
Desert SW	60.58	66.58	Nil
SJ Valley	61.83	71.73	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 26-April-2016

Contract	Open	High	Low	Close	Change
16-May	64.99	64.99	63.45	63.46	-1.31
16-Jul	64.06	64.75	63.50	63.83	-0.21
16-Oct	63.20	63.20	63.20	63.20	0.07
16-Dec	62.70	63.38	62.45	62.79	0.07
17-Mar	63.10	63.54	62.73	63.06	Unch
17-May	63.58	63.79	63.33	63.33	-0.09

Pakistan Cotton Spot rates: As on 26-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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