Cotton Domestic Fundamental

Current Market Scenario: Cotton market noticed firm momentum during the month (March'15). Prices of Kapas at Rajkot remained firm, with the range of Rs. 3750-4120 per quintal during March 2015 which was Rs. 3725-4060 per quintal previous month.

Cotton Corporation of India (CCI) has procured 86 lakh bales of cotton this marketing year so far, a little lower than the record procurement of 89 lakh bales in 2008-09.As cotton arrival is expected to last till May this year, cotton procurement by CCI is likely to breach the record level by the end of season. Around 302 lakh bales of cotton has arrived in domestic market until 24 March 2015, compared to 306 lakh bales year ago during the same period, said CCI.

India is likely to keep sourcing cotton to International market in the coming month of seasons, as stocks of USA and Brazil have almost sold out their produce. Only 32 lakh bales of cotton have been exported so far against the target of 90 lakh bales. Lower export will hence cause the higher ending stocks this season compared to the previous season.

Cotton exports from India is picking up as the Indian cotton fibre has become cost competitive in International market since February end. According to the officials Indian cotton is at least 5 cents a pound cheaper than US cotton and 2-3 cents from African cotton. Lower freight expenses due to proximity of importing regions give India leverage over US and Brazil. Demand from China is negligible but India is getting import order from Bangladesh, Pakistan, Turkey, Indonesia and Vietnam, said Anand Poppat an official of Saurashtra Ginners Association.

Gujarat lagged by 20-25 lakh bales in cotton output what was estimated to be in the current season. Similarly Karnataka noticed the short fall of 3-4 lakh bales. Telangana and Andhra Pradesh on other hand are expected to exceed the output estimates figure. Total of 90 lakh bales are expected from these two states collectively which was earlier expected 77 lakh bales. 60 lakh bales is expected from Telangana and around 30 lakh bales would be sourced from Andhra Pradesh.

Ministry of Textiles proposed to limit the cotton export from India by putting the cap on the amount of exportable cotton per year and suggested to levy 10% duty on the export of cotton over and above this exportable surplus. It was the budget suggestion to build a long term inventory of cotton in country for the domestic industry, said official sources.

Cotton Association of India revised the cotton output estimates downwardly for the country at 397 lakh bales which was earlier estimated at 400.25 lakh bales in December 2014. The cause of the fall in output is decline in production estimates for central region including Gujarat, Maharashtra and Madhya Pradesh. According to Cotton Association of India (CAI) cotton consumption would stand around 306 lakh bales this season compared to 300.68 lakh bales in 2013-14.

Domestic Balance Sheet

All figures in Lakh Bales (of 170 Kgs. Each)

Item	2013-14	2014-15	% Change
Supply			
Opening stock	52.58	58.90	12.02
Crop size	407.25	397	-2.52
Imports	11.75	13	10.64
Availability	471.58	468.9	-0.57
Demand			
Mill consumption	266.68	270	1.24
Small Mill consumption	24	26	8.33
Non-Mill consumption	10	10	0.00
Total consumption	300.68	306	1.77
Export	112	90*	-19.64
Total Demand	418.6	396	-5.40
Ending Stock	58.9	72.9	23.77

Source: Cotton Association of India (CAI) March'15 Update *As estimated by CCI

Balance Sheet Highlight (2014-15):

As per the latest revision in the cotton balance sheet by CAI, cotton availability would be on lower side this season due to lower opening stocks and production, although imports would stand higher. Total consumption will be higher but lower export in the season would make the total demand to be weaker and hence ending stock will bulge up.

Cotton Crop Prospects for Season 2015-16:

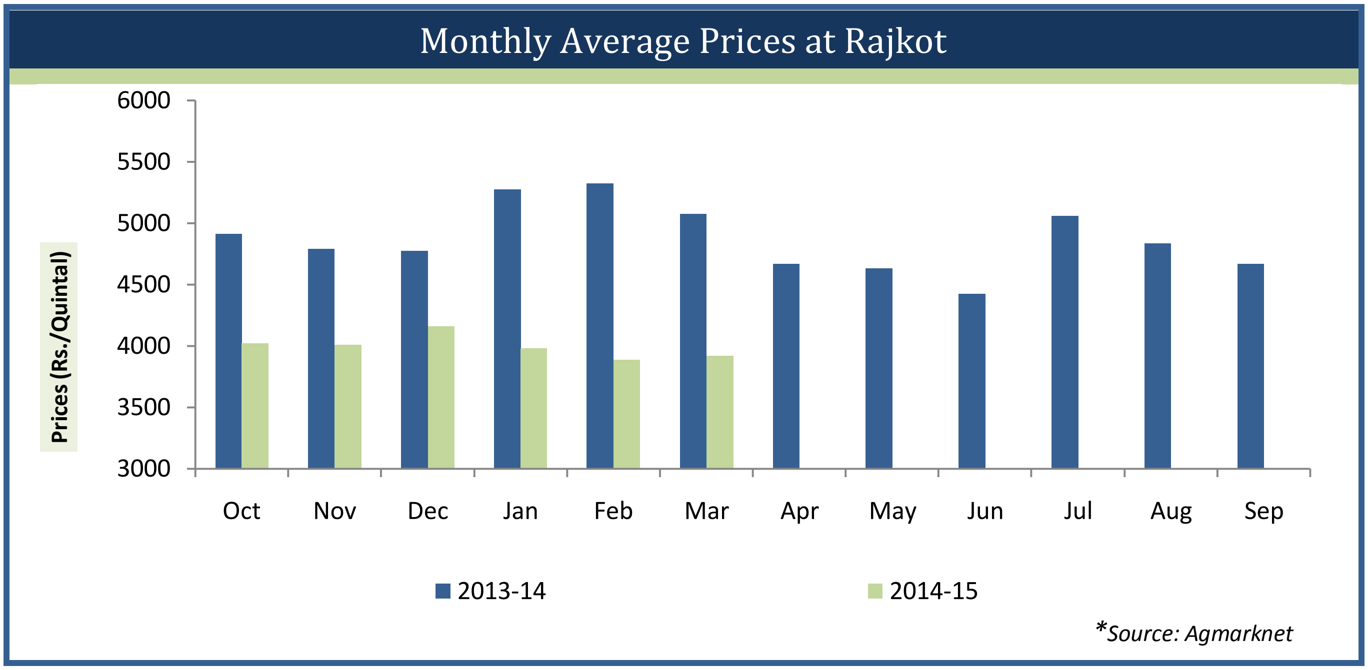
Cotton production in India could fall by 4.28 percent in the next season i.e. 2015-16 to 6.48 million tons (381 lakh Bales) compared to 6.77 million tons in the current season, said International Cotton Advisory Committee (ICAC).

The fall in the production would be caused by acreage, which would shrink in the upcoming season according to ICAC. Acreage of cotton in India in season 2015-16 is likely to drop by 5% to 11.6 million hectares due to the drastically falling cotton prices in the country.

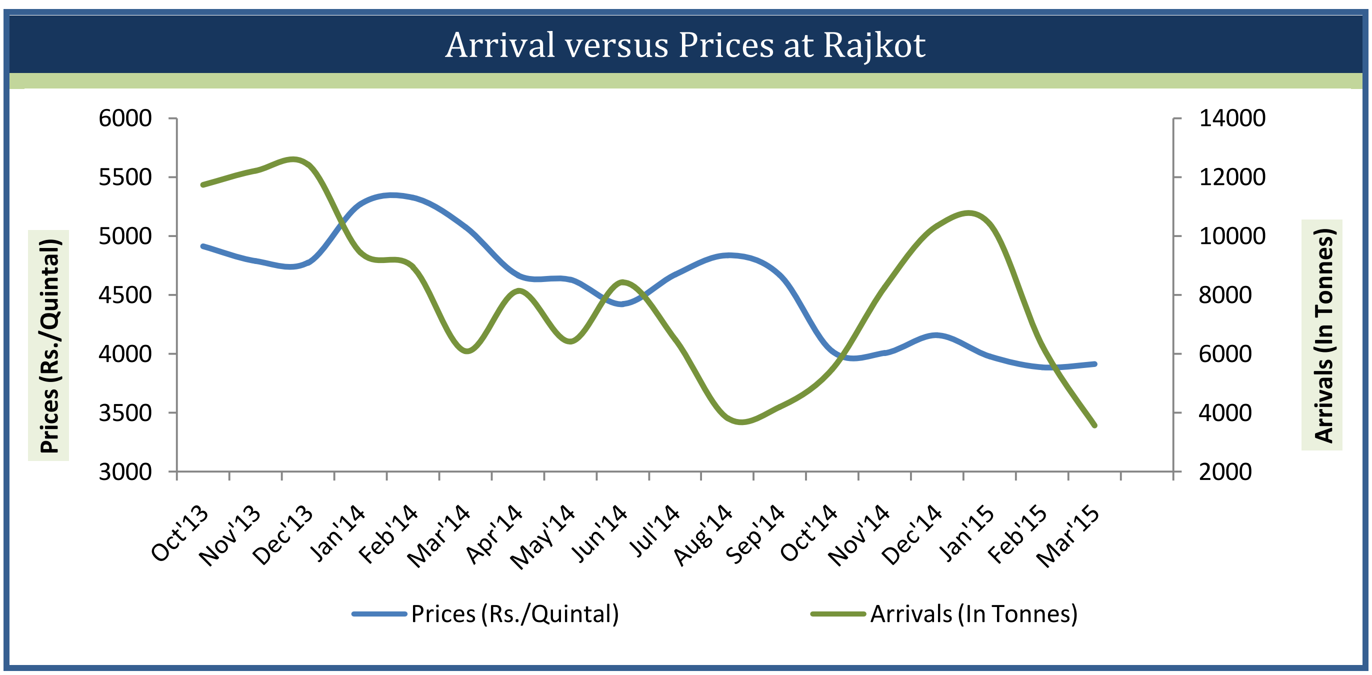
Consumption of cotton would be slightly higher at 5.27 million tons in 2015-16 as compared to 5.244 million tons in 2014-15.Cotton export from India is expected to rise in 2015-16.

According to ICAC, cotton exports from India in 2015-16 would be around 1.41 million tons around 31.04% higher when compared to the export of current season which would be around 1.076 million tons.

Domestic Prices and Arrival Trend



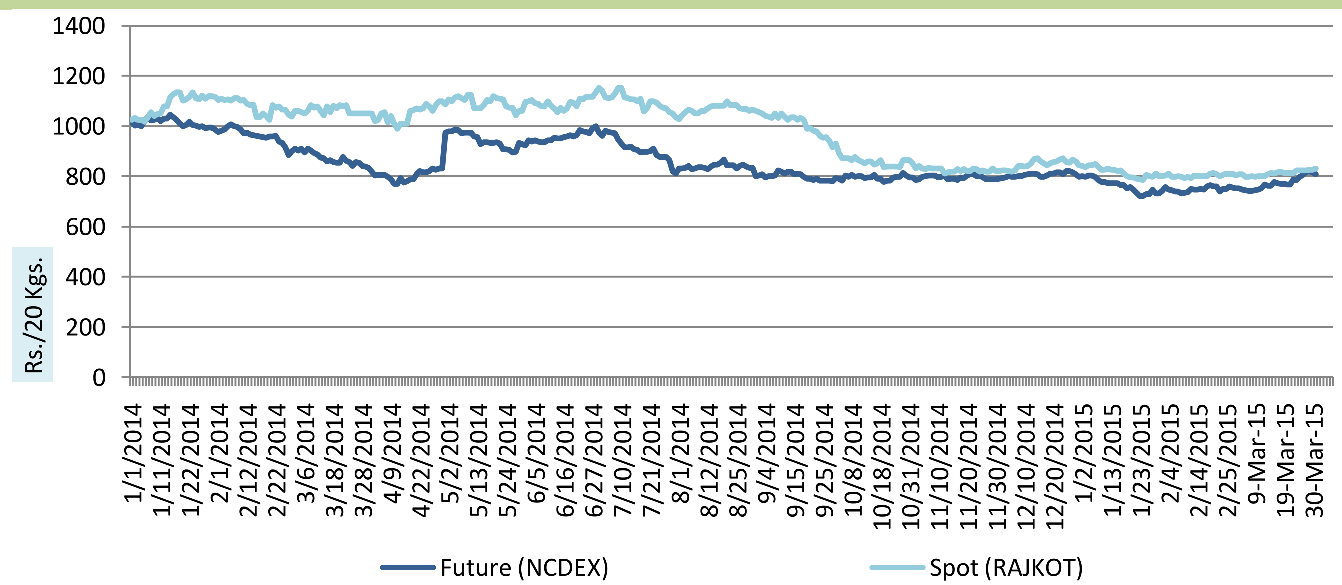
Following the recovery in cotton exports particularly to Bangladesh and South East Asian countries, the cotton prices in India have noticed a marginal correction this month. Monthly average price at Rajkot, as represented by agmarknet remained Rs. 3916.3 per quintal in March; around 0.74% higher when compared to the prices of previous month but the same is still lower by 22.8% when compared to prices in same month during previous year.



Shankar-6 (CAI Spot Prices)

Monthly average prices of lint cotton remained firm during the month of March this year. Average price of Shankar-6 remained Rs. 31100 per candy (of 356 kg each) this month , around 1.34 % higher when compared to the average prices of previous month and around 25.86% lower when compared to the prices of same month during the previous year.

Spot (Rajkot) versus Future (NCDEX) Price Trend

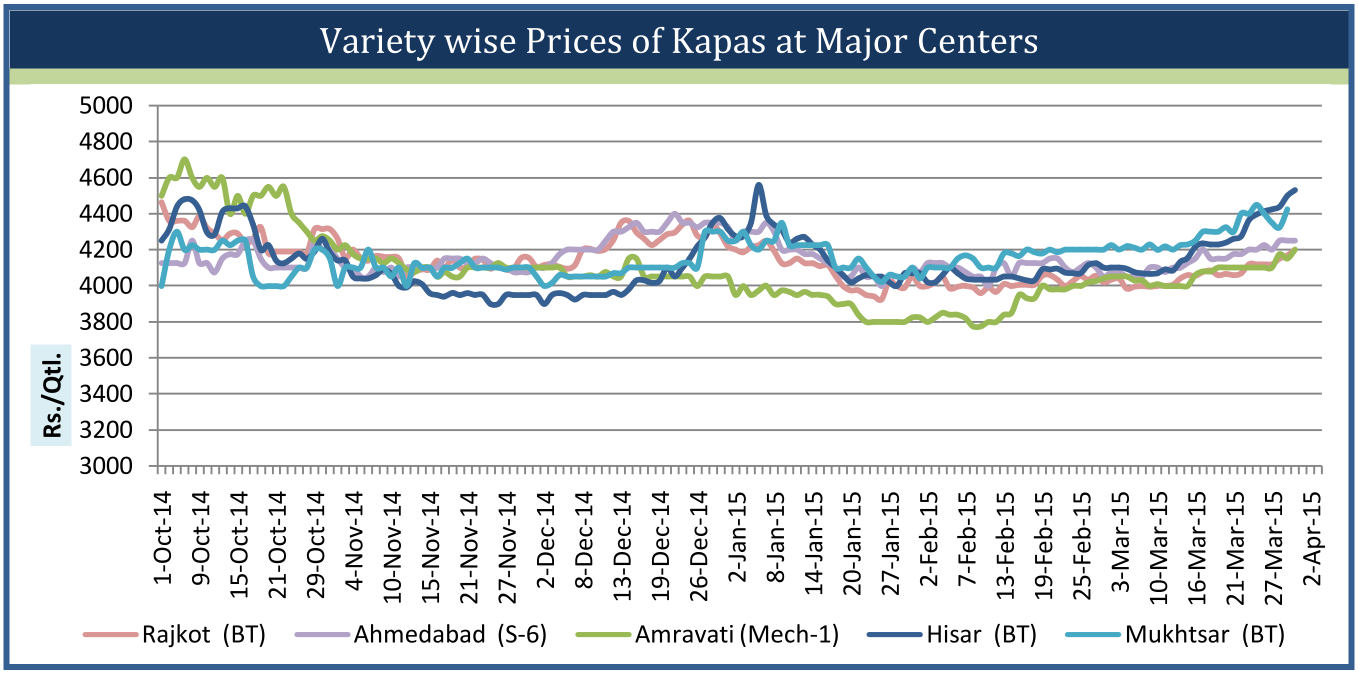


Future price of Kapas at NCDEX closed at Rs.808.5 per maund (of 20 kg each) on March 31, 2015, around 7.51% higher when compared to the closing price of previous month and 2.82 % lower when compared to the closing price of same month during last year.

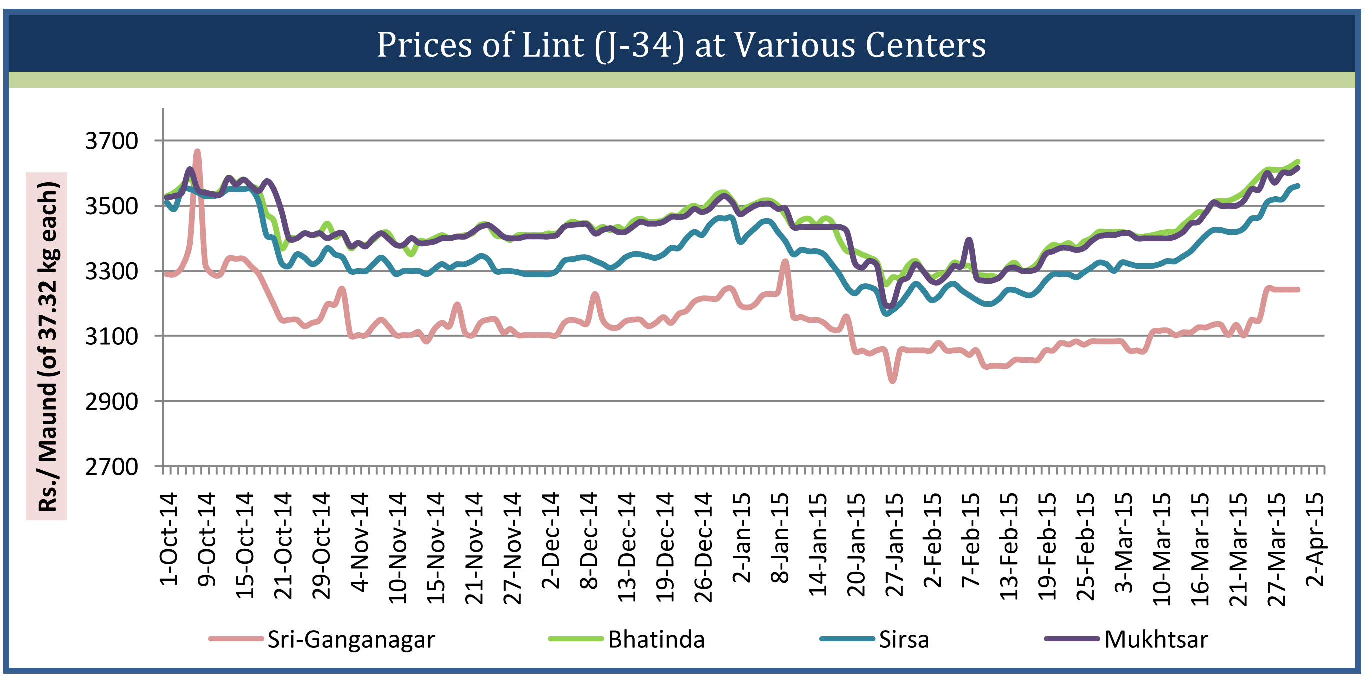
Cotton Prices at Key Spot Market:

Centre	Variety	Monthly Average Prices		Change
		Mar'15	Feb'15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4070	3915	155
Khandwa	Mech-1	4090	4050	40
Khargaon	Mech-1	4075	4050	25
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4270	4180	90
Rajkot	B.T. Cotton	4040	4015	25
Patan	B.T. Cotton	4125	4090	35
Deesa	B.T. Cotton	4035	3940	95
Muktsar	B.T. Cotton	4285	4160	125
Fazilika	B.T. Cotton	4255	4200	55
Bhiwani	B.T. Cotton	4325	4120	205
Adampur	B.T. Cotton	4230	4070	160
Fatehabad	B.T. Cotton	4250	4085	165
Dabwali	B.T. Cotton	4165	3985	180
Jind	B.T. Cotton	4275	4155	120
Uchana (Jind)	B.T. Cotton	4285	4080	205
Rawatsar (Hanumangarh)	B.T. Cotton	4225	4050	175
Hubli	B.T. Cotton	4025	4035	-10
Hathras	B.T. Cotton(US)	3075	3530	-455
Hanumangarh	B.T. Cotton	4290	4130	160
	Kapas			
Ahmedabad	Shankar-6	4145	4100	45
Gondal	Shankar-6	4050	4015	35
	Kapas			
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	3440	3910	-470
Raichur	H-44 Cotton	4055	4030	25
	Lint	(Rs./Maund of 37.32kg each)		
Abohar	J-34	3500	3330	170
Muktsar	J-34	3480	3330	150
Fazilika	J-34	3485	3320	165
Bhatinda	J-34	3495	3340	155
Mansa	J-34	3475	3320	155
Sirsa	J-34	3405	3255	150
Sri-Ganganagar	J-34	3135	3100	35

Variety wise Prices of Kapas (Seed Cotton):



Prices of Lint at various centers:



Monthly Prices of Lint (issued by Office of Textile Commissioner):

Month	J-34		H-4		S-6	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
October	29661.92	42979.88	32794.72	43923.28	33517.4	44969.92
November	31580.76	--	32844.56	40715.72	33592.16	40000.16
December	32452.96	38156.08	33043.92	39704.68	33798.64	39270.36
January	32837.44	41563	33008.32	43047.52	33805.76	42047.16
February	35165.68	42527.76	34332.64	43727.48	35051.76	42616.76
March	37949.6	42100.56	37664.8	43211.28	38319.84	42004.44
April	36963.48	42506.4	37565.12	44051.44	38205.92	42079.2
May	36507.8	45945.36	37490.36	42388.92	37764.48	43884.12
June	38871.64	43307.4	39825.72	44827.52	39868.44	42089.88
July	41278.2		42278.56		42417.4	
August	43321.64		45621.4		45959.6	
September	43143.64		44891.6		47839.28	
Average of the season	36644.563		37613.477		38345.057	

Figures in Rs./candy (356 kg.each)

Cotton Association of India Cotton Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Monthly Average Price*		Change
				Mar'15	Feb'15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30765	29725	1040
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	31265	30225	1040
J-34(202)	26mm	3.5 - 4.9	23	31760	30445	1315
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	30415	29965	450
Shankar-6(105)	29mm	3.5 – 4.9	28	31040	30690	350
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33530	33245	285
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34565	34245	320
DCH-32(107)	34mm	3.0 - 3.8	33	40185	41615	-1430

**Rs/candy(of 356 kg each)*

Cotton Arrivals in Key Centers:

Centre	Variety	Monthly Arrivals Sum (Qtl)		Change
		Feb'15	Feb'15	
Amravati	Mech-1	47700	187300	-139600
Khandwa	Mech-1	6900	13200	-6300
Khargaon	Mech-1	51500	86000	-34500
Mahesana(Kadi)	B.T. Cotton	540000	925000	-385000
Rajkot	B.T. Cotton	35640	66980	-31340
Patan	B.T. Cotton	99426	172898	-73472
Deesa	B.T. Cotton	2500	22625	-20125
Fazilika	B.T. Cotton	2780	5550	-2770
Muktsar	B.T. Cotton	4964	4888	76
Bhiwani	B.T. Cotton	38450	29451	8999
Adampur	B.T. Cotton	10753	11390	-637
Fatehabad	B.T. Cotton	8575	19675	-11100
Dabwali	B.T. Cotton	9550	8375	1175
Jind	B.T. Cotton	1148	9758	-8610
Uchana	B.T. Cotton	10815	32000	-21185
Rawatsar	B.T. Cotton	1075	1535	-460
Hubli	B.T. Cotton	3439	1201	2238
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	3220	37400	-34180
Ahmedabad	Shankar-6	999600	1572925	-573325
Gondal	Shankar-6	16352	31391	-15039
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	6	72	-66
Raichur	H-44 Cotton	47087	42047	5040
Abohar	J-34	10455	16235	-5780
Bhatinda	J-34	196350	374850	-178500
Mansa	J-34	9435	23545	-14110
Sirsa	J-34	16235	24395	-8160
Sri-Ganganagar	J-34	22525	42160	-19635

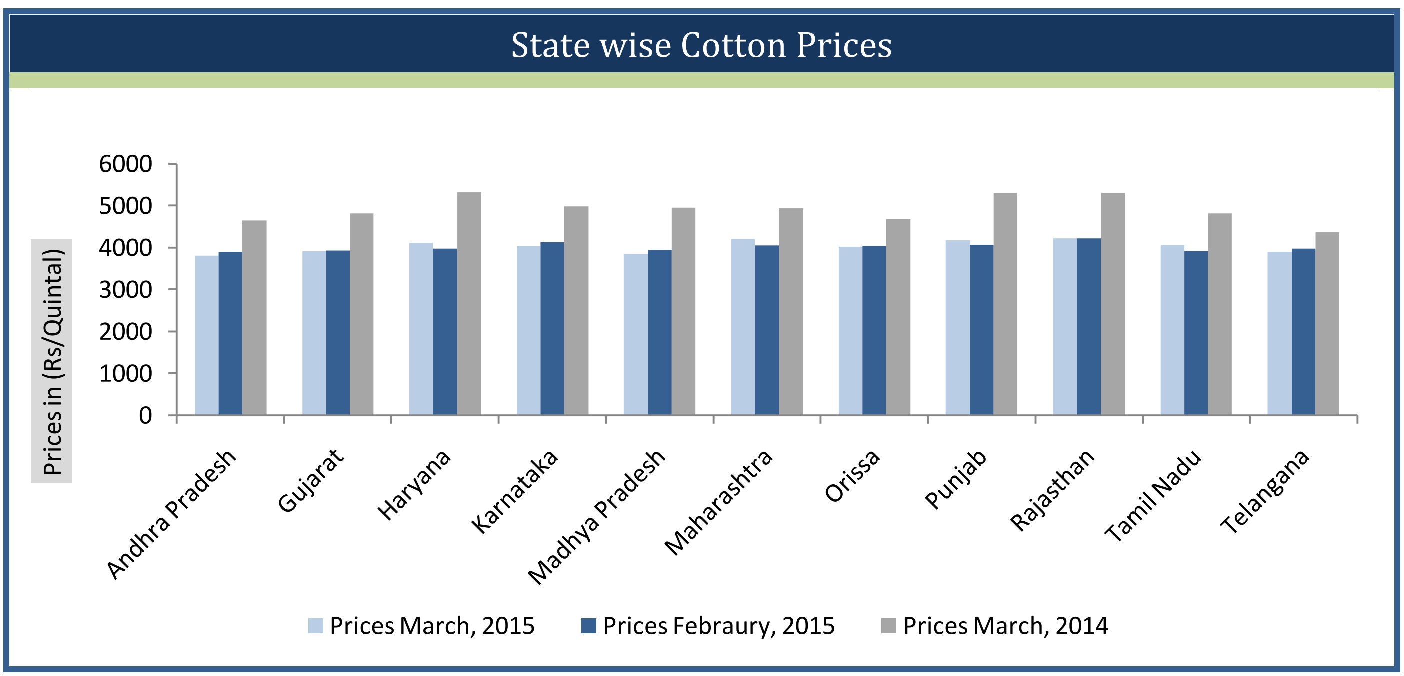
State wise Scenario

State wise Prices (Rs./Qtl.):

State	Prices March, 2015	Prices February, 2015	Prices March, 2015	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	3803.54	3886.98	4645.36	-2.15	-18.12
Gujarat	3907.5	3923.3	4803.4	-0.4	-18.65
Haryana	4109.91	3966.22	5309.37	3.62	-22.59
Karnataka	4030.14	4126.91	4972.16	-2.34	-18.95
Madhya Pradesh	3853.63	3938.36	4949.66	-2.15	-22.14
Maharashtra	4202.14	4050.28	4930.43	3.75	-14.77
Orissa	4020.92	4027.6	4672.33	-0.17	-13.94
Punjab	4166.16	4064.33	5292.56	2.51	-21.28
Rajasthan	4220.51	4207.12	5303.4	0.32	-20.42
Tamil Nadu	4057.25	3913.74	4805.02	3.67	-15.56
Telangana	3892.26	3963.2	4362.97	-1.79	-10.79
Average	4023.9	4006.18	4913.3		

**Source: Agmarknet*

On the domestic front, state wise monthly prices are showing mixed trend. Cotton prices are reflecting correction states including Maharashtra, Haryana Punjab and Tamil Nadu. Few of the states have recorded downtrend in the monthly prices namely Gujarat, Andhra Pradesh and Madhya Pradesh and Telangana. Average major price of major trading states remained Rs 4024 per quintal in March compared to Rs 4006.18 per quintal previous month.



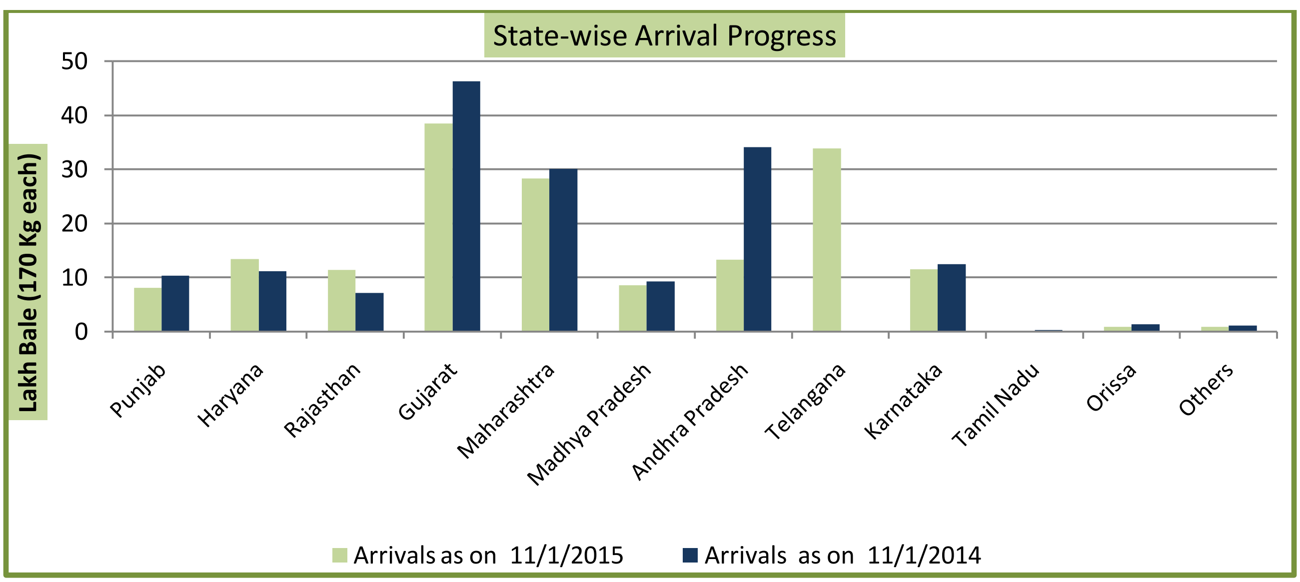
State wise Arrivals (in lakh bales of 170 kgs each):

Table given below showing cotton production and estimated arrivals during 2014-15 **s**eason vis-a-vis cotton season 2013-14:

States	2014-15*		2013-14	
	Production as per CAB	Arrivals As on	Production as per CAB	Arrivals As on
	13-10-2014	11-01-2015	02-07-2014	11-01-2014
1. Punjab	14	8.02	21	10.27
2. Haryana	25	13.41	23	11.06
3. Rajasthan	17	11.38	14	7.09
North Total	**56**	**32.81**	**58**	**28.42**
4.Gujarat	125	38.46	120	46.19
5.Maharashtra	85	28.29	84	30.06
6.Madhya Pradesh	18	8.55	19	9.2
Central Total	**228**	**75.3**	**223**	**85.45**
7. Andhra Pradesh	50	13.24	76	34.02
8.Telangana	27	33.79	--	--
9. Karnataka	28	11.43	22	12.45
10.Tamil Nadu	5	0	5	0.24
South Total	**110**	**58.46**	**103**	**46.71**
11. Orissa	4	0.86	4	1.33
12. Others	2	0.88	2	1.05
Total	**6**	**1.74**	**6**	**2.38**
Grand Total	**400**	**168.31**	**390**	**162.96**

* Inclusive of new crop arrivals in September 2014

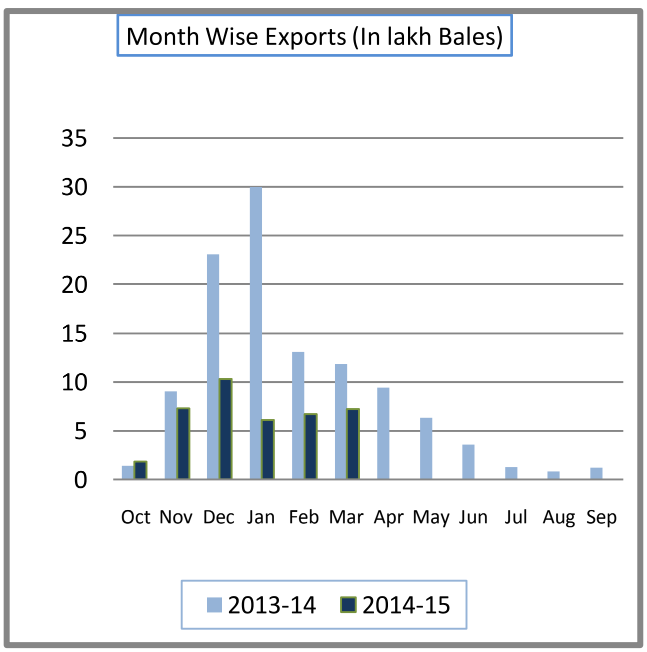
** Quantity in lakh bales (of 170 kgs. each)

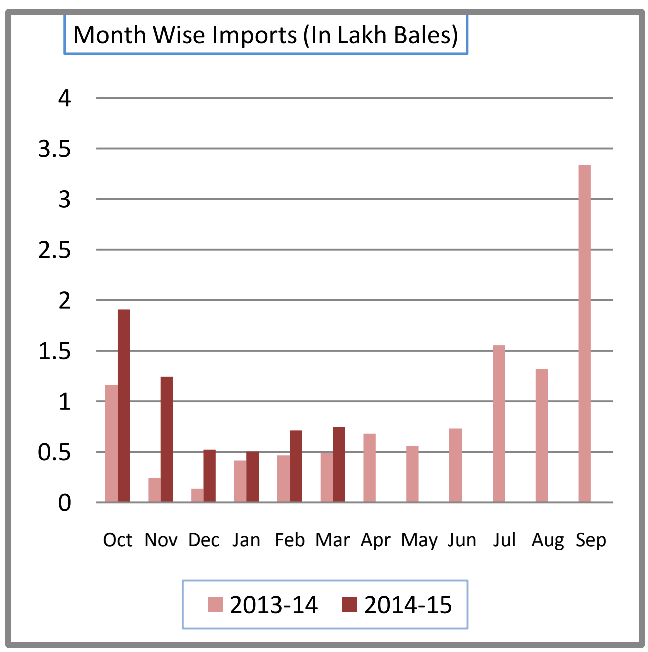


Cotton Export and Import Scenario

Cotton Exports(In Lakh Bales)		
Month	**2013-14**	**2014-15**
Oct	1.43	1.81
Nov	9.06	7.3
Dec	23.12	10.34
Jan	30	6.11
Feb	13.15	6.68
Mar	11.9	7.25
Apr	9.46	
May	6.37	
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
Total	**111.5**	**39.5**
Source: IBIS		

Cotton Imports(In Lakh Bales)		
Month	**2013-14**	**2014-15**
Oct	1.16	1.91
Nov	0.24	1.24
Dec	0.133	0.52
Jan	0.41	0.5
Feb	0.46	0.71
Mar	0.488	0.74
Apr	0.68	
May	0.56	
Jun	0.73	
Jul	1.55	
Aug	1.32	
Sep	3.34	
Total	**11.07**	**5.62**
Source: IBIS		





Cotton exports so far (i.e. Oct'14-Mar'15) stood around 55.5% lower Y-o-Y at 39.4 lakh bales which was 88.6 lakh bales during the same period last year. Imports during the current season so far stood 5.62 lakh bales which was 2.89 lakh bales last year.

Cotton Yarn Dynamics

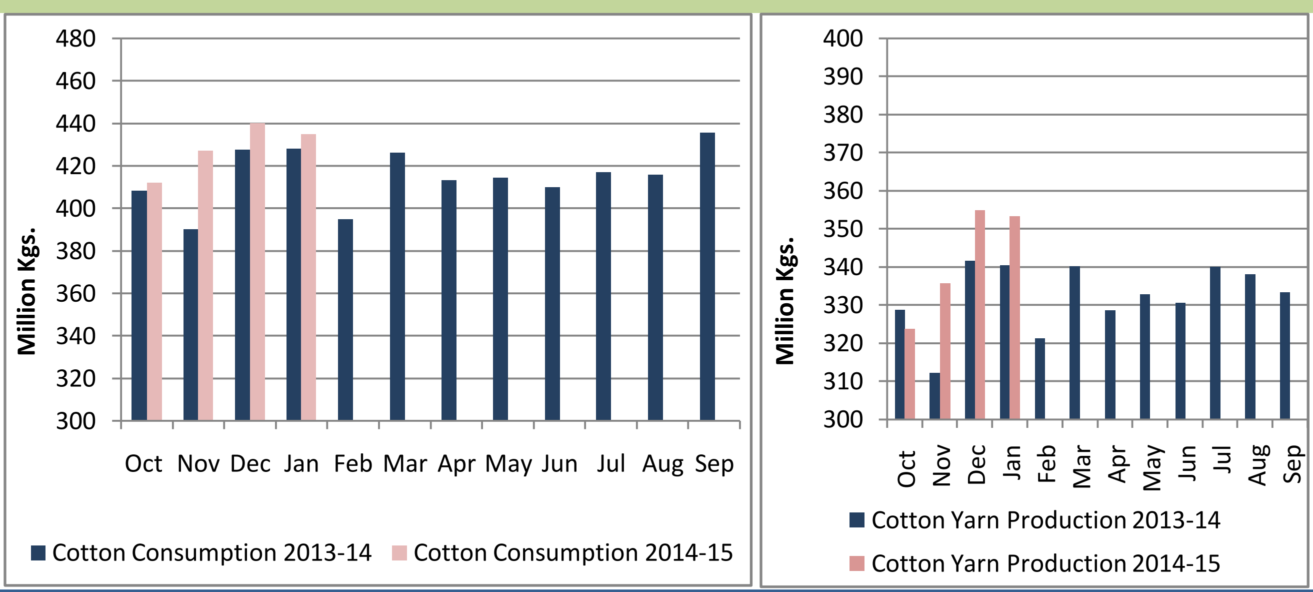
Cotton Consumption and Cotton Yarn Production:

During the initial four months of season, cotton consumption recorded at 1714 million kgs which is 3.5% higher than the consumption during corresponding period last year. Similarly cotton yarn production too remained higher in this year. Cumulative cotton yarn production during the initial four month of the season stood 1368 million kgs around 3.39% higher when compared to corresponding period last year.

Month	Cotton Consumption 2013-14	Cotton Consumption 2014-15	Cotton Yarn Production 2013-14	Cotton Yarn Production 2014-15
Oct	408.49	412.17	328.79	323.84
Nov	390.25	427	312.13	335.77
Dec	427.72	439.94	341.67	354.89
Jan	428.16	434.86	340.38	353.3
Feb	394.8		321.31	
Mar	426.15		340.2	
Apr	413.36		328.68	
May	414.51		332.92	
Jun	409.82		330.69	
Jul	417.22		340	
Aug	415.86		338.09	
Sep	435.52		333.3	

Figures in Million Kg.

Cotton Consumption versus Cotton Yarn Production



Cotton Seed Oil and Cotton Seed Oil Cake

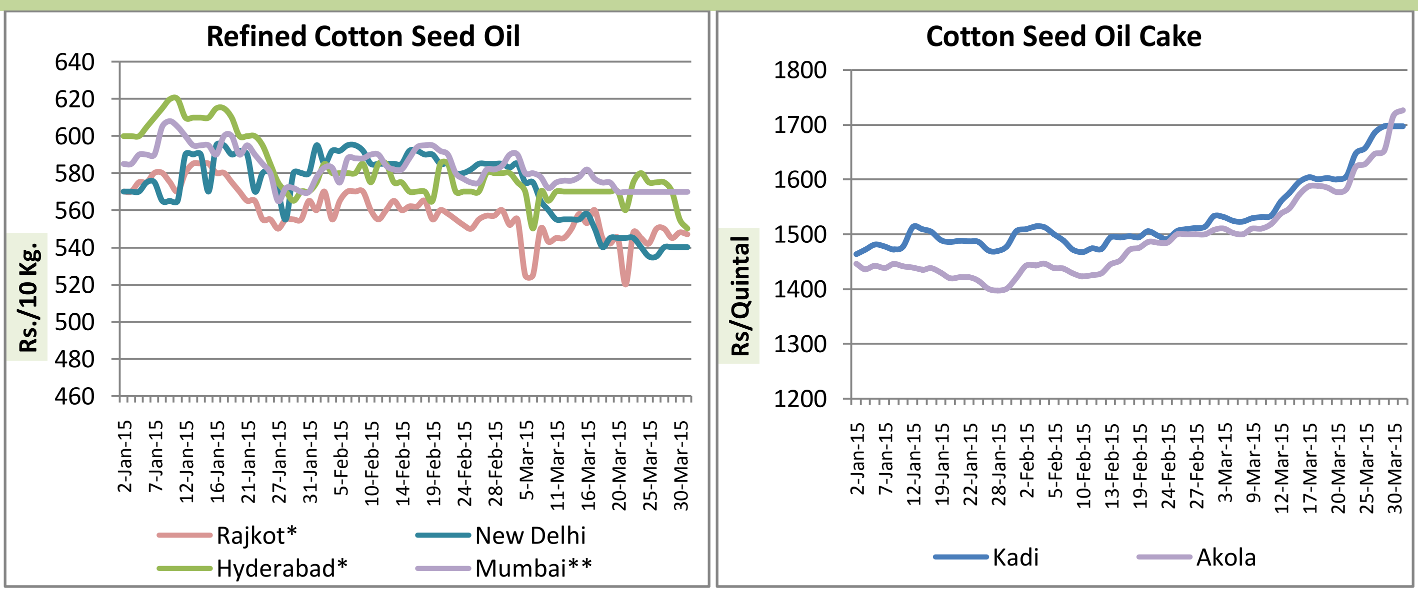
Cotton Seed Oil at Key Centers:

Centre	Monthly Average Prices (Rs/10 kg.)		Change
	Mar'15	Feb'15	
Rajkot*	560	546	-14
New Delhi	588	554	-34
Hyderabad*	577	570	-7
Mumbai**	585	576	-9
*Without Tax Prices, ** VAT Included Prices			

Cotton Seed Oil Cake at Key Centers:

Centre	Monthly Average Prices (Rs/Quintal)		Change
	Mar'15	Feb'15	
Kadi	1496	1596	100
Akola	1460	1577	117

Cotton Seed Oil and Cotton Seed Oil Cake



*Without Tax Prices, ** VAT Included Prices

Technical Analysis of Cotton Future

Commodity	Kapas
Exchange	NCDEX
Contract Month	April'15

Monthly Technical Outlook:

- Candlesticks denote uptrend in the market.
- RSI is moving towards overbought region.
- MACD is depicting bullish signal line and centerline movement.
- We expect prices to remain firm in coming days.

Expected price range during coming month:

Expected Trend	Expected Trading Band
Bullish Momentum	780-880

Expected Support and Resistance:

Support 1	Support 2	Resistance 1	Resistance 2
775	750	900	925

International Market Scenario

Current Market Scenario: International market noticed sideways to weak momentum during the month of March. Cotlook A Index remained in the range of 67.20-71.25 cents during the March. As monthly average, it stood 69.3 cents 0.70% lower when compared to previous month and around 28.46% lower when compared to previous year during the corresponding month.

USA is expected to lower its cotton acreage this season to 9.428 million acres, 14.6% lower when compared to acreage of 2014 which was 11.037 million acres. The major cotton growing region, Texas is likely to witness a fall of 13.8% in cotton acreage and would plant 5.343 million acres of cotton in 2015, compared to 6.2 million acres previous year.

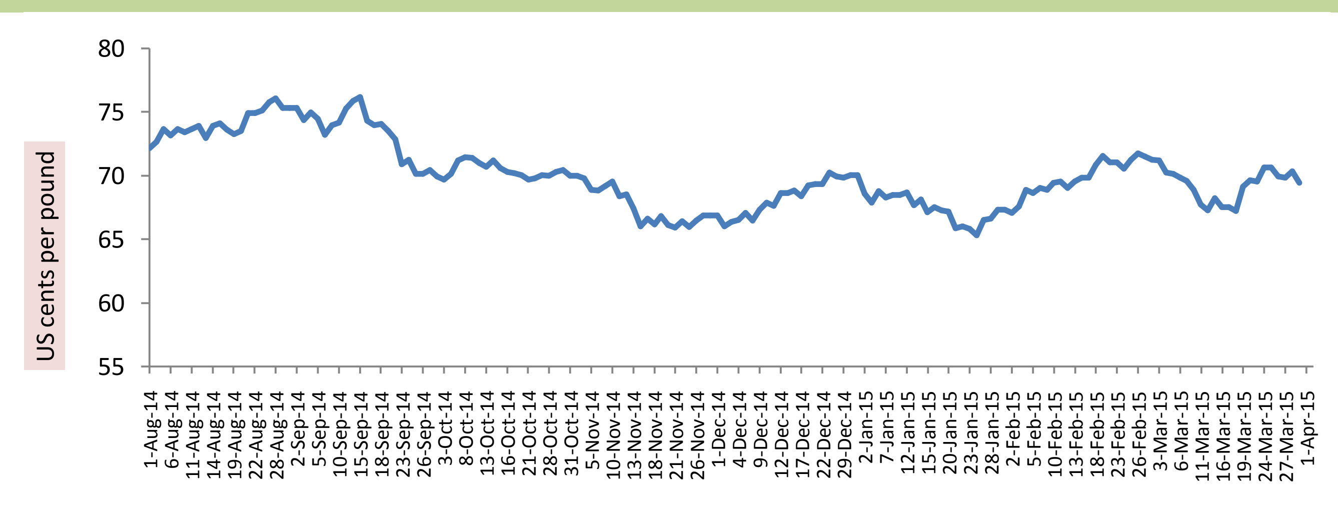
Cotton planting area in China this year is likely to drop by 23 percent this year compared to previous year, according to the latest survey reports by China Cotton Association (CCA). Earlier CCA expected cotton area to shrink by 25.4 percent in its January estimates. The rise in the figures this month is the result of expectation of higher cotton area in Xinjiang.

Cotton output in Pakistan is estimated slightly higher this month by USDA at 2.286 million tones which was estimated 2.264 million tones a month ago. Considering the production of previous season, Pakistan would notice a escalation of 10.54% in cotton output this season as the country produced 2.07 million tones of cotton last year.

USDA in its latest world supply and demand report, estimated world cotton inventory to be around 23.96 million tonnes by the end of current season which was earlier estimated 23.914 million tonnes previous month. USDA has also lowered the China cotton consumption to 7.620 million tonnes this month which was earlier estimated 7.729 million tonnes previous month.

China imported 159,100 metric tons of cotton in February this year, 35.3% lower when compared to imports during the same month previous year, according to customs data cited by China Cotton Association (CCA).

Cotlook A Index

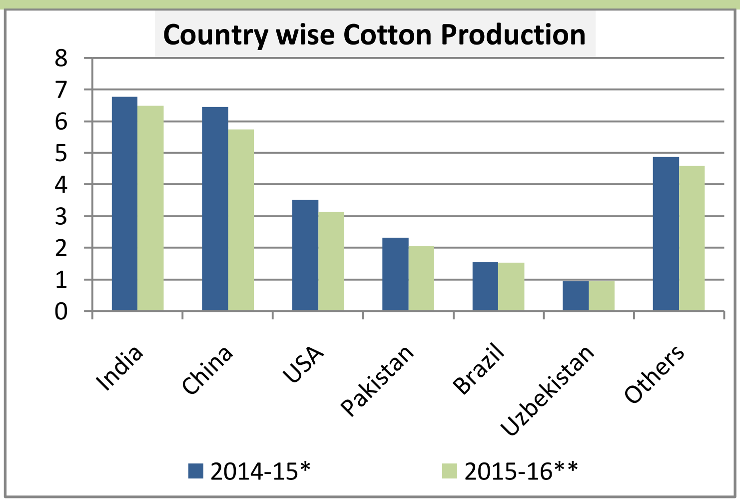


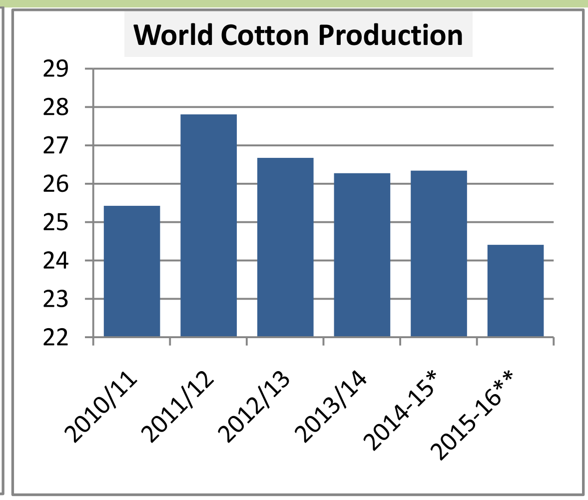
World Cotton Scenario (2015-16):

World Cotton Production in 2015-16: According to International Cotton Advisory Committee (ICAC) cotton production in 2015-16 would stand around 24.41 million tons compared to 26.356 million tons in the current season. Almost all of the major producing nations including India, China, USA Pakistan and Brazil will notice the fall in cotton output.

Country wise Cotton Production Estimates (Million Tonnes)		
Country	2014-15 (Proj.)	2015-16 (Proj.)
India	6.77	6.48
China	6.444	5.74
USA	3.502	3.11
Pakistan	2.3	2.05
Brazil	1.539	1.51
Uzbekistan	0.94	0.93
Others	4.861	4.58
World total	26.356	24.41
		Source: ICAC (March Estimates)

Country wise and Global Cotton Production (In Million Tonnes)





**ICAC projection **March Advance Estimates*

Consumption Could Overtake Production: According to International Cotton Advisory committee (ICAC) cotton production would be around 24.41 million tones in 2015-16, whereas consumption would stand around 24.66 million tons, surpassing the production.

The same situation would not lead to supply deficit as the total supply i.e. sum of opening stocks, production and Imports would be around 53.89 million tones in 2015-16 which is likely to end up at 53.28 million tones in the current season.

World Cotton Balance Sheet (2014-15):

Particulars	2014-15	2015-16*	% Change
SUPPLY			
Opening stock	19.53	21.67	10.96
Production	26.36	24.41	-7.38
Imports	7.397	7.81	5.58
Availability	53.283	53.89	1.14
DEMAND			
Consumption	24.22	24.66	1.82
Exports	7.397	7.81	5.58
Total Disappearance	31.617	32.47	2.70
Ending Stock	21.665	21.41	-1.18

*Source: ICAC (*March Advance Estimates by ICAC), Figures in Million Metric Tonnes*

World Cotton Export Expected to Rise: Cotton export during season 2015-16 would be around 7.81 million tones approximately 5.58% higher when compared to 7.397 million tones in current season.

Ending Stocks to Fall First Time In Five Years: World Ending stocks is expected to fall for the first time in 2015-16 to 21.41 million tons, around 1.18% lower when compared to the expected inventory of 21.665 million tons by the end of current season, said International cotton advisory committee (ICAC).

Global Export and Import Scenario:

World Exports:

Cotton exports in the current season i.e. 2014-15 would stand 16.5% lower at 7.397 million tons when compared to the previous season, according to ICAC.

Export	2014-15	2015-16*
USA	2.33	2.41
India	1.076	1.41
Australia	0.56	0.39
Brazil	0.675	0.71
CFA zone	0.857	0.96
Uzbekistan	0.605	0.59
World Total	7.397	7.81

*ICAC Mar advance estimate, All figures in Million Metric Tonnes

In season 2015-16, the world cotton exports are likely to be higher by 5.58% at 7.81 million tons as compared to the current season. Expectation of lower cotton output in the major consuming nations in the coming season has led the higher export projections.

As far as India is concerned, cotton export from country is likely to surge up by 31.04% at 1.41 million tons in season 2015-16. Country is likely to receive good demand from Bangladesh and South East Asian countries including Indonesia and Vietnam.

Country wise World Cotton Consumption		
Country	2014-15*	2015-16**
China	7.96	8
India	5.244	5.27
Pakistan	2.308	2.37
East Asia	2.353	2.49
Europe & turkey	1.525	1.59
Brazil	0.85	0.86
USA	0.795	0.81
CIS	0.6	0.6
Others	2.588	2.66
World total	24.222	24.66

*Source: *ICAC Projections (**March Estimates)*

World Imports:

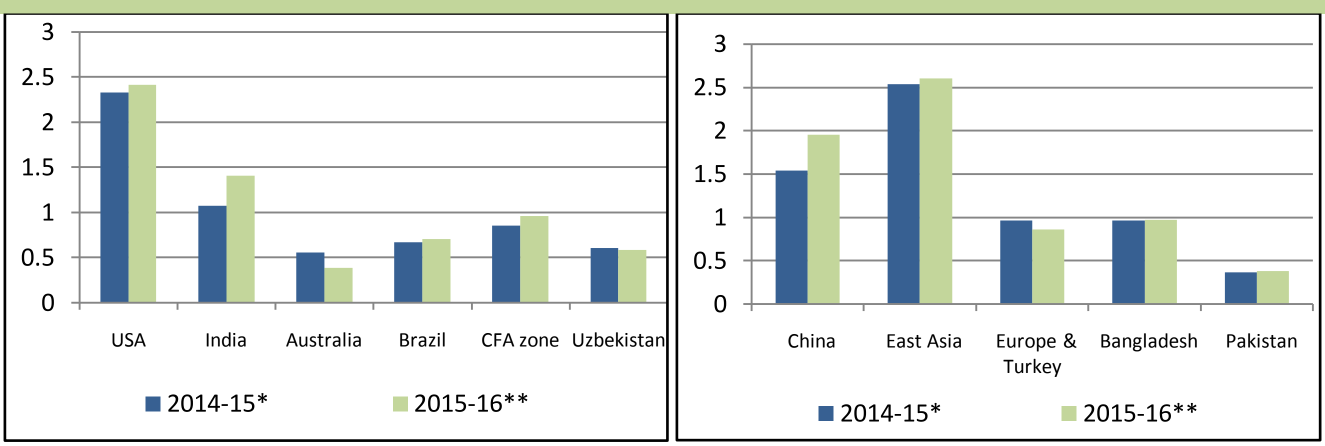
As estimated by ICAC, cotton imports would stand around 7.397 million tonnes by the end of the current season. In the coming season that is 2015-16 it is likely to surge up by 5.58% to 7.81 million tons.

China alone will witness the rise of 26.87% in cotton imports and expected to import 1.95 million tonnes in 2015-16 compared to 1.53 million tons in 2014-15.

Import	2014-15	2014-15*
China	1.537	1.95
East Asia	2.532	2.6
Europe & Turkey	0.962	0.86
Bangladesh	0.965	0.97
Pakistan	0.367	0.38
World Total	7.397	7.81

*ICAC Mar advance estimate, All figures in Million Metric Tonnes

Country wise World Export-Import (In Million Tonnes)

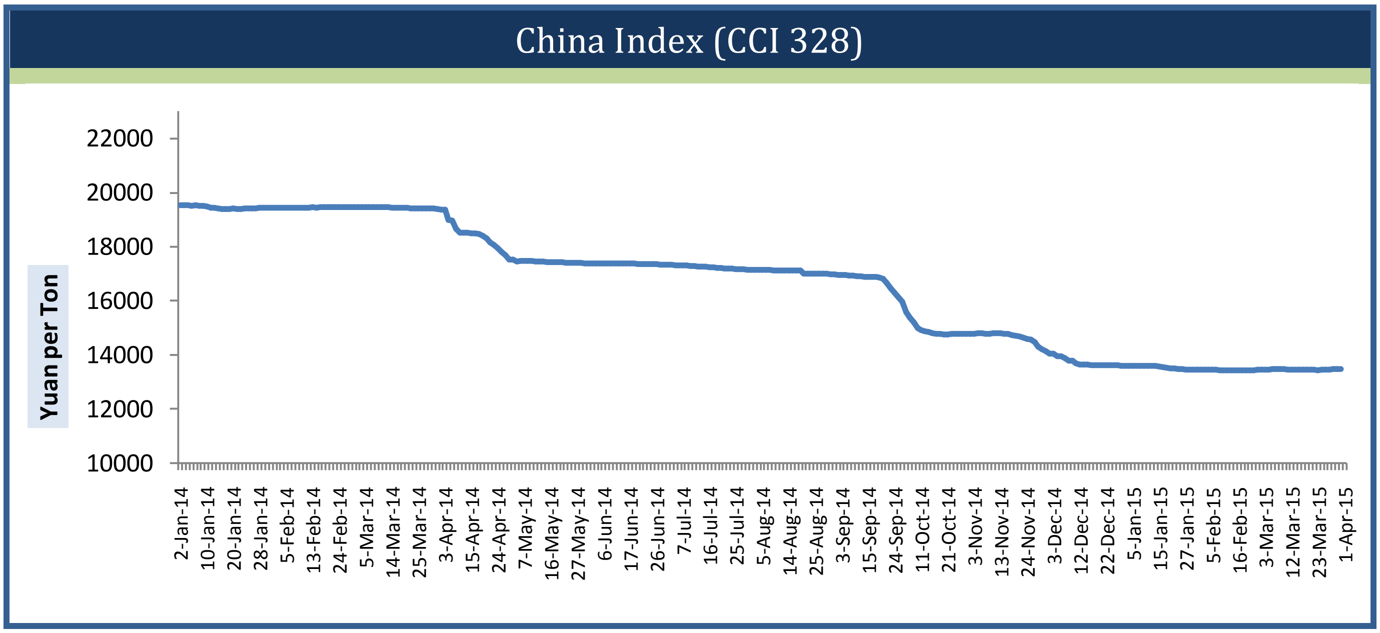


**ICAC projection **March Advance Estimates*

International Prices and Indices

China Cotton Index

CC Indices	Prices as on		% Change
	March'15	February'15	
CC Index(229)	14175	14170	0.04
CC Index(328)	13465	13445	0.15
CC Index(527)	12425	12435	-0.08
Figures in Yuan per Ton			



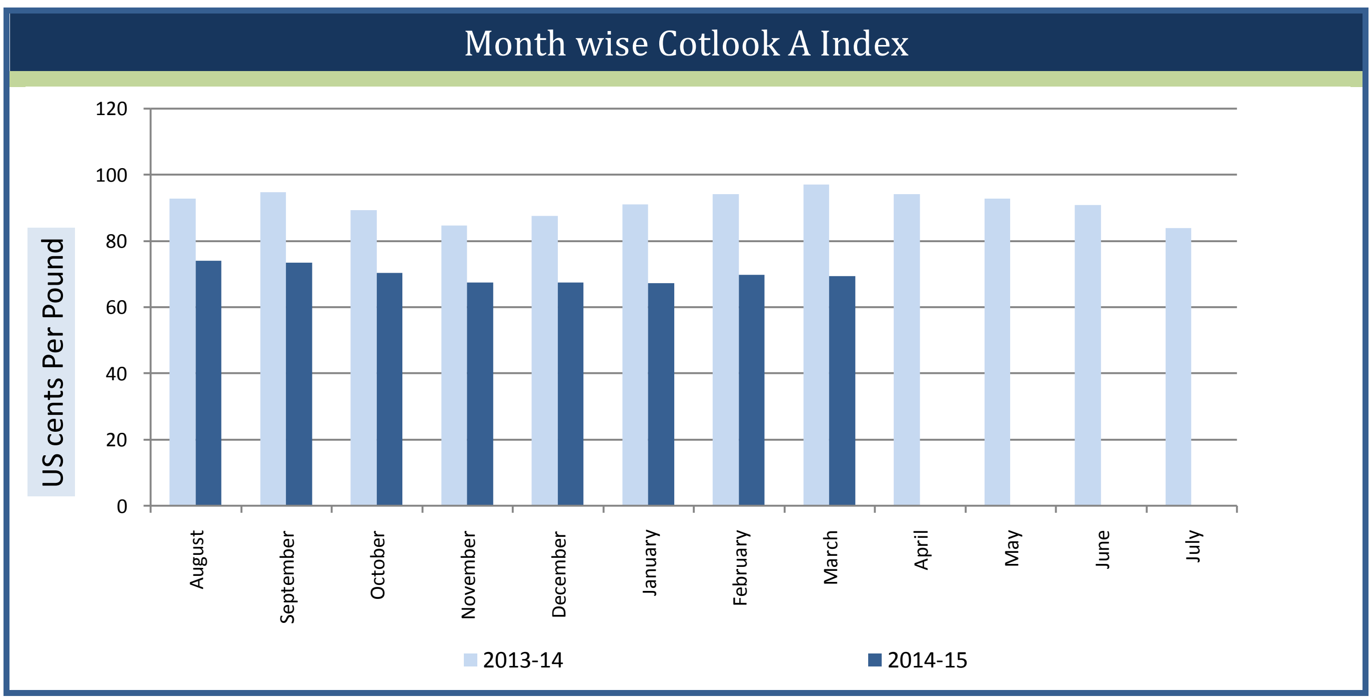
Cotlook A Index

Cotlook A Index	Monthly Average Price		% Change
	March'15	February'15	
Price	69.35	69.84	-0.70
Figures in US Cents per Pound			

Month wise Cotlook A Index:

Month	2013-14	2014-15	Y-o-Y Change %age
August	92.71	73.99	-20.19
September	94.6	73.38	-22.43
October	89.35	70.34	-21.28
November	84.65	67.49	-20.27
December	87.49	68.3	-21.93
January	90.96	67.29	-26.02
February	94.05	69.84	-25.74
March	96.94	69.35	-28.46
April	94.2		
May	92.7		
June	90.89		
July	83.83		

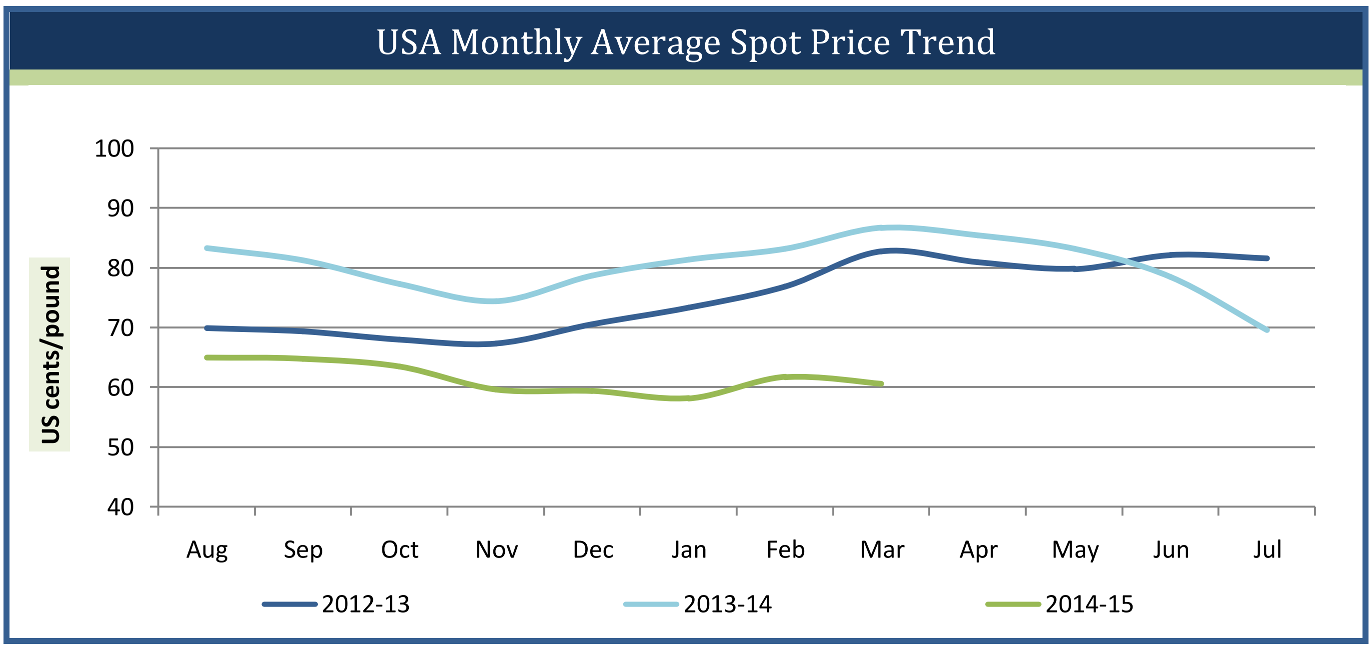
Figures in US cents per pound



USA Spot Prices

US spot prices noticed a fall this month due to lesser imports and expectation of higher inventories. As explained by ICAC, being the largest exporter, the United States is affected by the decline in China's and Turkey's imports though demand for high quality machine-picked cotton will help to limit export losses. In 2014/15, production in the United States is estimated at 3.5 million tons, up 25% from 2013/14, and consumption is projected up for the third consecutive season by 3% to 795,000 tons. According to ICAC Exports are forecast to increase modestly by 2% to 2.3 million, which is less than the expected exportable surplus of 2.7 million tons from this season's crop. As a result, ending stocks in the United States are likely to increase 58% to just over 1 million tons.

Monthly Average USA Spot Prices			
Date	March'15	February'15	% Change
Prices	60.63*	61.74	-1.80
Figures in US Cents per Pound *Subject to change marginally			



ICE Cotton Future:

Contracts	31-Mar-15	Month Ago	Year Ago	% Month Change	% Y-o-Y Change
Oct-14	63.10	64.93	79.81	-2.82	-20.94
Dec-14	63.46	65.22	--	-2.70	--
Mar-14	63.98	65.85	--	-2.84	--
May-14	64.34	65.85	--	-2.29	--
Jul-14	64.50	65.84	--	-2.04	--
Oct-14	64.60	--	--	--	--
Source: MRCI, Figures in US Cents Per Pound					

Technical Analysis of Cotton Future

Commodity	Cotton
Exchange	ICE
Contract Month	May'15

Monthly Technical Outlook:

- Candlesticks denote range bound momentum during the month.
- Weak prices coupled with declining V&OI depicts weakness.
- We expect prices to remain range bound in the coming month.

Expected Price Range During Coming Month

Expected Trend	Expected Trading Band
Range bound	60.20-66.20

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
60.00	59.40	66.80	67.00

Source : MRCI

All figures in US cents per pound