

## Current Market Outlook

**Cotton prices remained dull this week compared to the previous week.** Average price of Kapas at Rajkot during the week was Rs. 4015 per quintal, which stood Rs 4035 previous week.

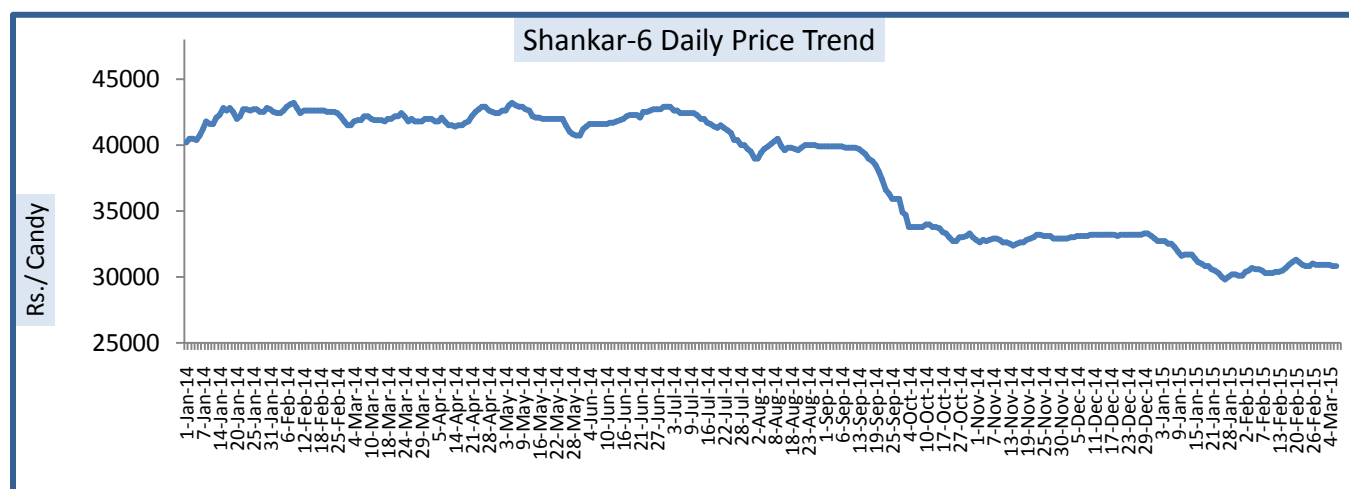
**Cotton export from India is expected to rise in 2015-16.** According to ICAC, cotton exports from India in 2015-16 would be around 1.41 million tons around 16.82% higher when compared to the export of current season which would be around 1.207 million tons.

**According to the IBIS data, cumulative exports this season during the period of Oct'14-Feb'15** stood 32.2 lakh bales, around 58.05% lower when compared to the export during the same period last season, which was 76.7 lakh bales. Imports on the other hand recorded on the higher side during the initial months of the seasons. Cumulative Import for the period of Oct'14-Feb'15 remained 4.88 lakh bales which was 2.4 lakh bales in the previous season during the same period.

**In this season, The Cotton Corporation of India (CCI) is likely to meet or even cross the record procurement figure of 2009,** when it had purchased 89 lakh bales. CCI has so far procured more than 8 million bales, which is 20% of the total crop expected for the cotton year (October-September) 2014-15, exceeding its earlier target of 75 lakh bales. Meanwhile, sale operations of CCI have not picked up as anticipated and till date it has sold some 2.5 to 3 lakh bales. Procurement has slowed down in the last 15 days owing to reduced arrivals on the back of unseasonal rains. As against normal procurement of 2 lakh bales a day, CCI is now procuring some 1-1.5 lakh bales a day.

**Cotton production in India could fall by 4.28 percent in the next season to 6.48 million tons** compared to 6.77 million tons in the current season, said International Cotton Advisory Committee (ICAC).

**Despite the lower output, 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 30.56% higher when compared to the export of current season which would be around 1.08 million tons. The causes of this significant change in Indian cotton exports are basically the fall in cotton production in China and the world, higher import demand from China and lower world ending stocks.



### Domestic Balance Sheet

Item	2013-14*	2014-15*
<b>Supply</b>		
Opening stock	40	32
Crop size	398	400
Imports	10.8	7
Availability	448.8	439
<b>Demand</b>		
Mill consumption	266	275
Small Mill consumption	24.88	26
Non-Mill consumption	8	10
Total consumption	298.88	311
Export	117.92	90
Total Demand	416.8	401

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

\*Source: Cotton Corporation of India (CCI)

### BALANCE SHEET HIGHLIGHTS:

Opening stock would remain lower this season (Oct'14-Sept'15) compared to the previous one. According to CCI, opening stocks would stand 20% lower this season. Production would be on higher side in the current season following the higher acreage in the country. As per the latest estimates released by Ministry of Agriculture (MoA), around 126.55 lakh hectare of area has been sown under cotton this year, around 10.64% higher than the previous year, when it was 114.37 lakh hectares.

Imports are expected to fall as there would be ample supply in the country and domestic prices are likely to remain weaker which would diminish the cotton imports. Lower opening stocks and lesser imports will hence make the total supply lower compare to the previous season.

Consumption of cotton in country is likely to increase on amplified demand from textile and garments industry, but it would not cause any supply deficit because of enough availability in the country. Exports are expected to see a remarkable fall because China will import lesser due to restrictive import policy, which is announced to terminate the cotton stockpiling program.

### Cotton Crop Prospects for Season 2015-16:

Acreage of cotton in India in the coming season is likely to drop by 5% to 11.6 million hectares due to the drastically falling cotton prices in the country, said ICAC. Cotton price during January at Rajkot remained 24% lower this year when compared to the previous year during the corresponding period. Production of cotton in India, following the lower acreage would be around 6.48 million tonnes in season 2015-16 compared to production of 6.77 million tonnes this season, according to ICAC.

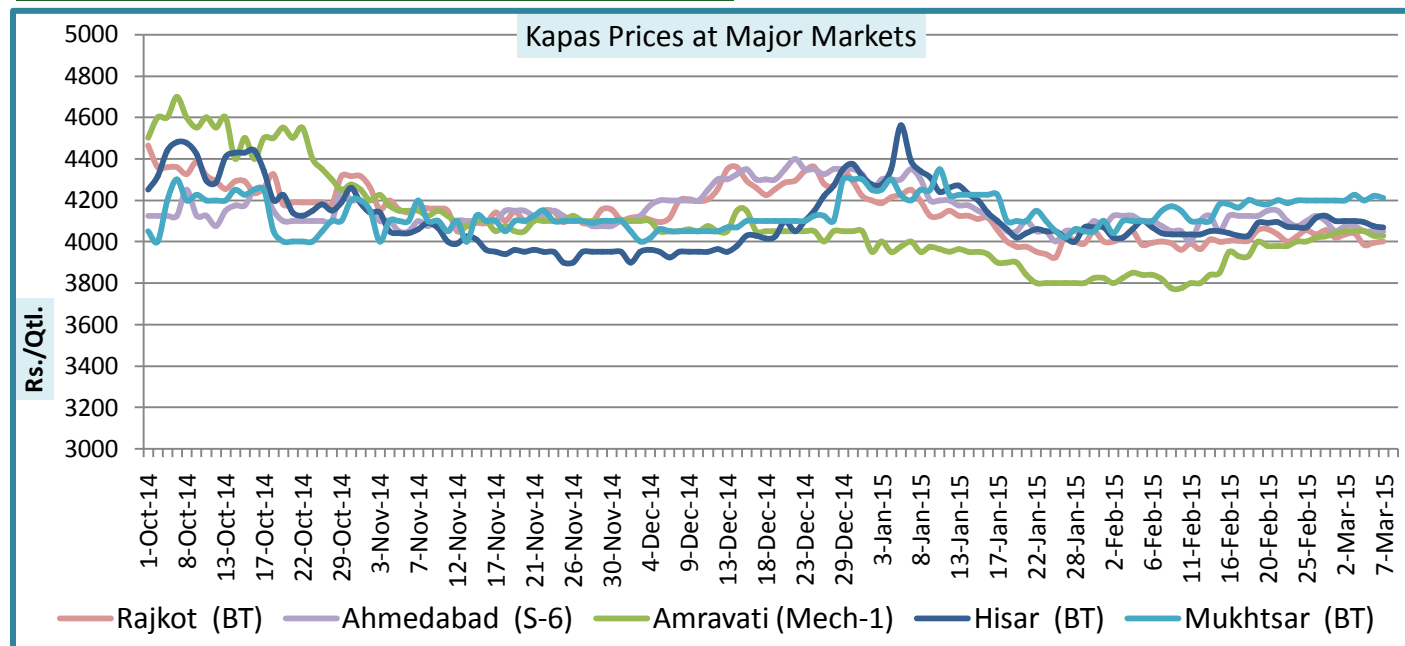
### Domestic Cotton Prices

#### Cotton Prices at Key Spot Centers:

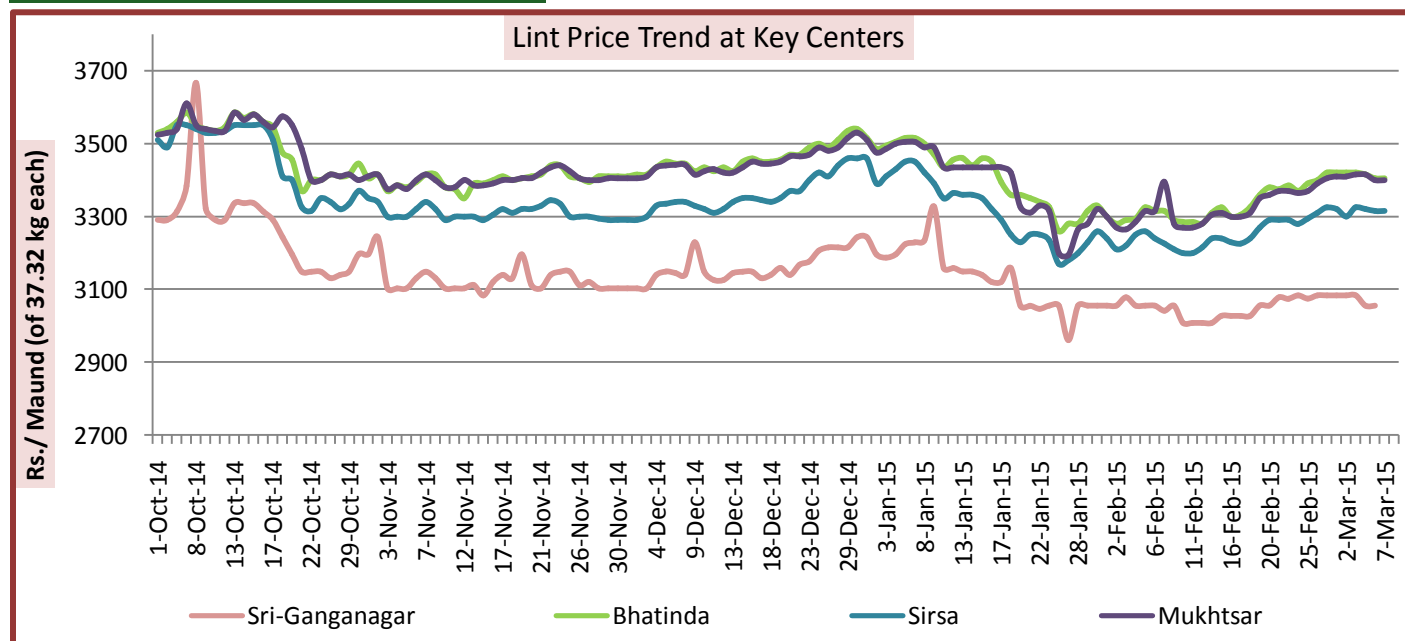
Centre	Variety	Weekly Average Prices as on		Change
		5th Mar 2015	27th Feb 2015	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4045	4000	45
Khandwa	Mech-1	4035	4050	-15
Khargaon	Mech-1	4050	4050	Unch
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4230	4195	35
Rajkot	B.T. Cotton	4015	4035	-20
Patan	B.T. Cotton	4075	4095	-20
Deesa	B.T. Cotton	4005	3945	60
Muktsar	B.T. Cotton	4210	4200	10
Fazilika	B.T. Cotton	4255	4255	Unch
Bhiwani	B.T. Cotton	4150	4145	5
Adampur	B.T. Cotton	4095	4090	5
Fatehabad	B.T. Cotton	4100	4090	10
Dabwali	B.T. Cotton	4030	3400	630
Jind	B.T. Cotton	4160	4190	-30
Uchana	B.T. Cotton	4100	4110	-10
Rawatsar	B.T. Cotton	4080	4070	10
Hubli	B.T. Cotton	3970	4040	-70
Hathras	B.T. Cotton	3000	3000	Unch
Hanumangarh	B.T. Cotton	4190	4160	30
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4065	4110	-45
Gondal	Shankar-6	4080	4010	70
	<b>Kapas</b>			
Hathras	Desi	3500	3650	-150
Bijapur	Bunny	NA	NA	NA
Hubli	D.C.H.	NA	NA	NA
Raichur	H-44 Cotton	4045	4045	Unch
Guntur	Un-Ginned	4050	4050	Unch
Kurnool	Un-Ginned	4230	4250	-20
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	3895	3955	-60
	<b>Lint</b>	<b>(Rs./Maund of 37.32kg each)</b>		
Abohar	J-34	3415	3380	35
Muktsar	J-34	3410	3380	30
Fazilika	J-34	3425	4255	-830
Bhatinda	J-34	3415	3390	25
Mansa	J-34	3395	3370	25

Sirsa	J-34	3316	3300	16
Sri-Ganganagar	J-34	3070	3080	-10

### Price Trend of Kapas (Seed Cotton) at Key Centers:

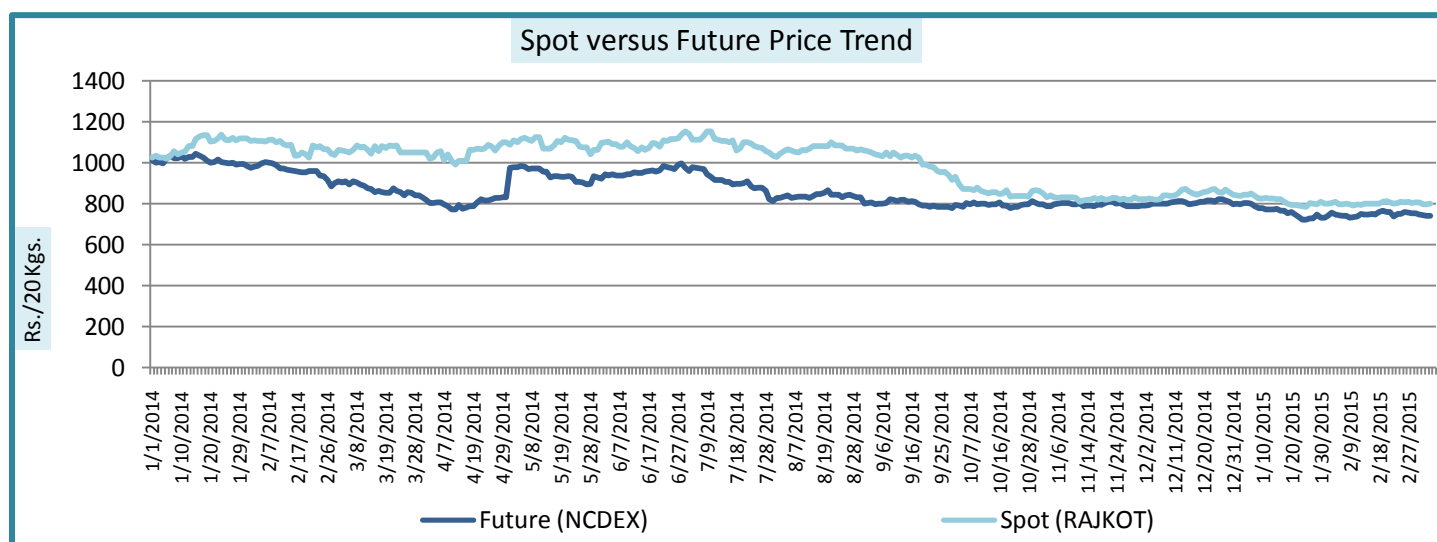
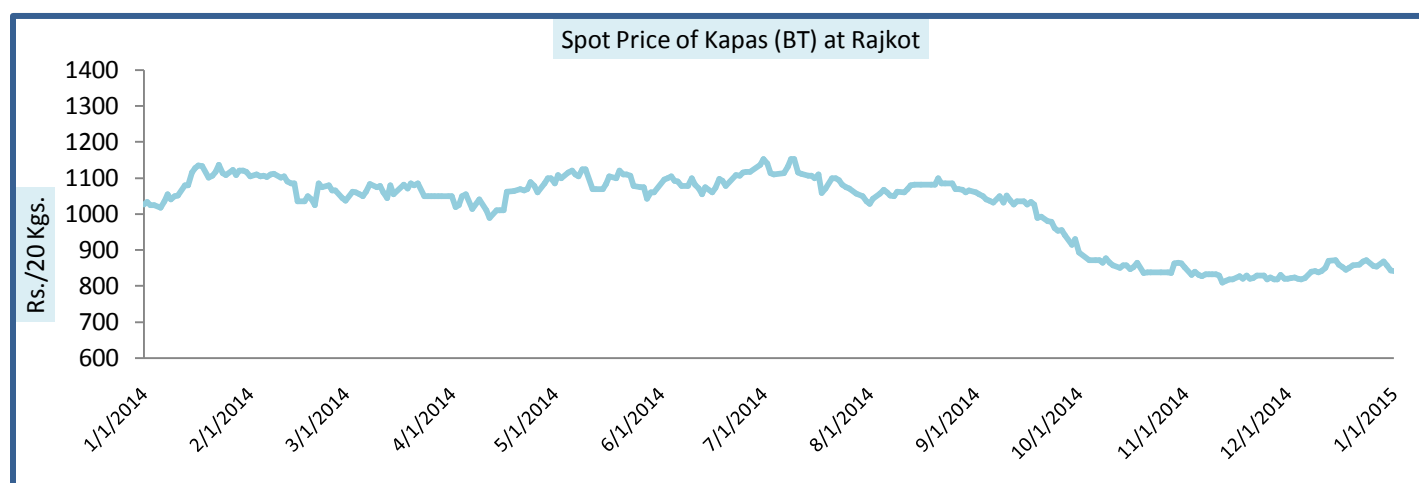


### Price Trend of Lint at Various Centers:



**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength / GPT	Weekly Average Prices* as on		+/- Change
				4th Mar 2015	27th Feb 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30100	29820	280
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30600	30320	280
J-34(202)	26mm	3.5 - 4.9	23	31150	30840	310
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	30200	30220	-20
Shankar-6(105)	29mm	3.5 - 4.9	28	30900	30920	-20
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33200	33220	-20
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34200	34220	-20
DCH-32(107)	34mm	3.0 - 3.8	33	39500	40420	-920

*\*Rs/candy (of 356 kg each)*
**Price Movement at Spot and Future Market:**


Cotton Arrivals at Key Centers:

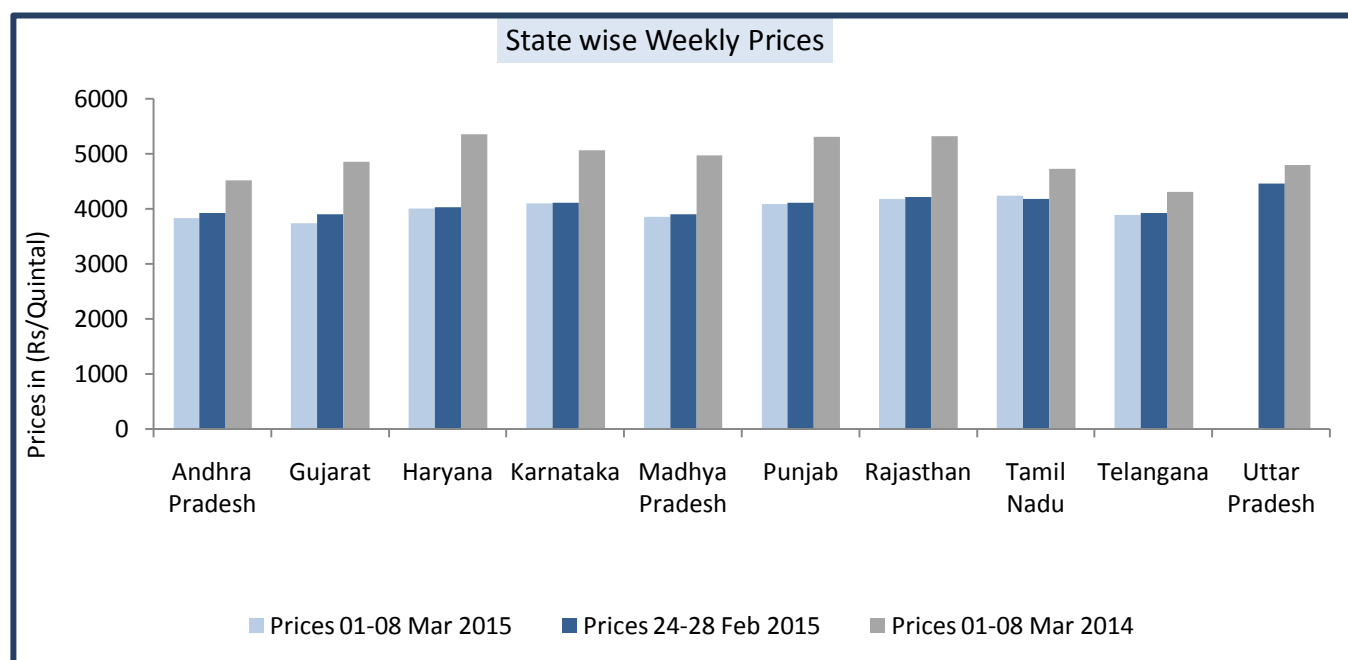
Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		5th Mar 2015	27th Feb 2015	
Amravati	Mech-1	14700	29900	-15200
Khandwa	Mech-1	3000	7600	-4600
Khargaon	Mech-1	17000	34000	-17000
Mahesana(Kadi)	B.T. Cotton	85000	245000	-160000
Rajkot	B.T. Cotton	9490	14740	-5250
Patan	B.T. Cotton	20890	31775	-10885
Deesa	B.T. Cotton	2750	5375	-2625
Fazilika	B.T. Cotton	400	1450	-1050
Muktsar	B.T. Cotton	629	978	-349
Bhiwani	B.T. Cotton	9000	8000	1000
Adampur	B.T. Cotton	1870	3315	-1445
Fatehabad	B.T. Cotton	2100	4300	-2200
Dabwali	B.T. Cotton	850	2100	-1250
Jind	B.T. Cotton	629	1105	-476
Uchana	B.T. Cotton	2200	4600	-2400
Rawatsar	B.T. Cotton	220	185	35
Hubli	B.T. Cotton	236	386	-150
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	750	6000	-5250
Ahmedabad	Shankar-6	204000	374000	-170000
Gondal	Shankar-6	4058	7891	-3833
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	6314	16102	-9788
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	22.4	35.6	-13.2
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	2210	3230	-1020
Bhatinda	J-34	43350	90950	-47600
Mansa	J-34	2465	5610	-3145
Sirsa	J-34	2890	6630	-3740
Sri-Ganganagar	J-34	4760	9010	-4250

### State wise Scenario

#### State wise Weekly Prices (Rs./Qtl.)

State	Prices 01-08 Mar 2015	Prices 24-28 Feb 2015	Prices 01-08 Mar 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3825.22	3917.88	4509.07	-2.37	-15.17
Gujarat	3730.29	3899.52	4843.76	-4.34	-22.99
Haryana	3995.6	4021.51	5351.44	-0.64	-25.34
Karnataka	4092.04	4103.42	5056.68	-0.28	-19.08
Madhya Pradesh	3852.56	3898.89	4968.46	-1.19	-22.46
Punjab	4079.05	4100	5305.93	-0.51	-23.12
Rajasthan	4175.82	4211.38	5318.1	-0.84	-21.48
Tamil Nadu	4234.87	4176.84	4717.74	1.39	-10.24
Telangana	3878.5	3916.47	4298.13	-0.97	-9.76
Uttar Pradesh		4450	4788.7	—	—
Average	5801.4	4065.61	5316.98		

Source: Agmarknet

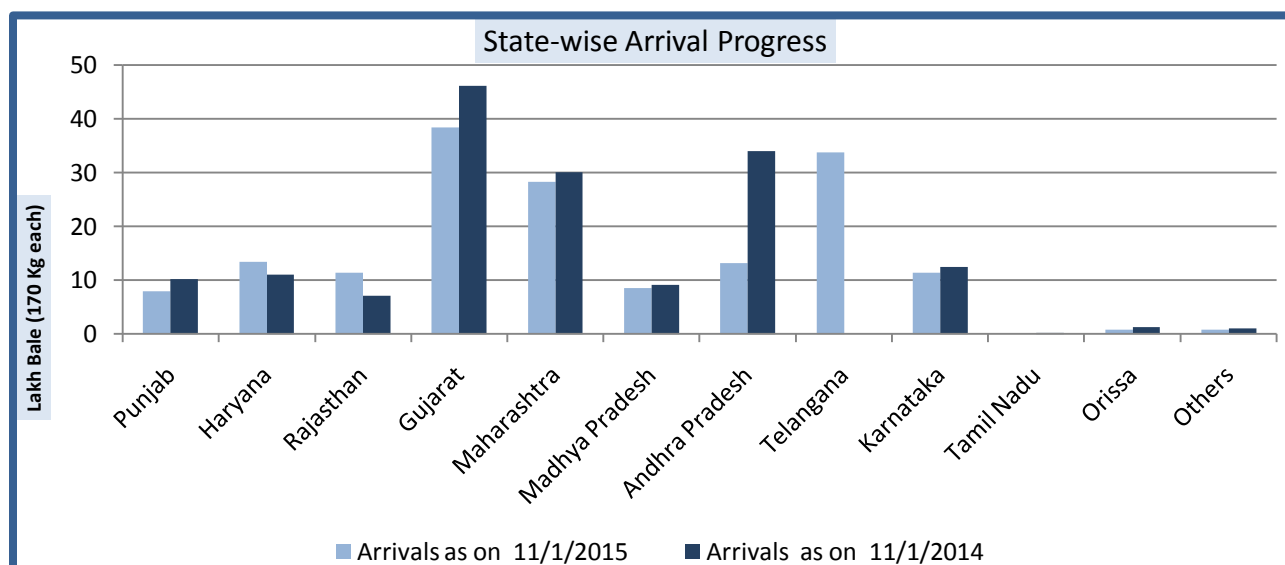


**State wise Arrivals (in lakh bales of 170 kgs each):**

Table given below showing cotton production and estimated arrivals during 2014-15 season 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	<b>56</b>	<b>32.81</b>	<b>58</b>	<b>28.42</b>
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	<b>228</b>	<b>75.3</b>	<b>223</b>	<b>85.45</b>
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	<b>110</b>	<b>58.46</b>	<b>103</b>	<b>46.71</b>
11. Orissa	4	0.86	4	1.33
12. Others	2	0.88	2	1.05
Total	<b>6</b>	<b>1.74</b>	<b>6</b>	<b>2.38</b>
Grand Total	<b>400</b>	<b>168.31</b>	<b>390</b>	<b>162.96</b>

\* Inclusive of new crop arrivals in September 2014  
 \*\* Quantity in lakh bales (of 170 kgs. each)

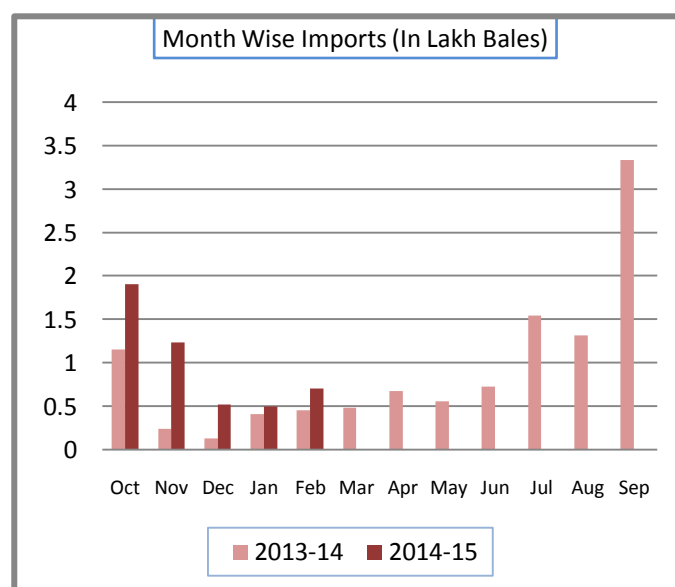
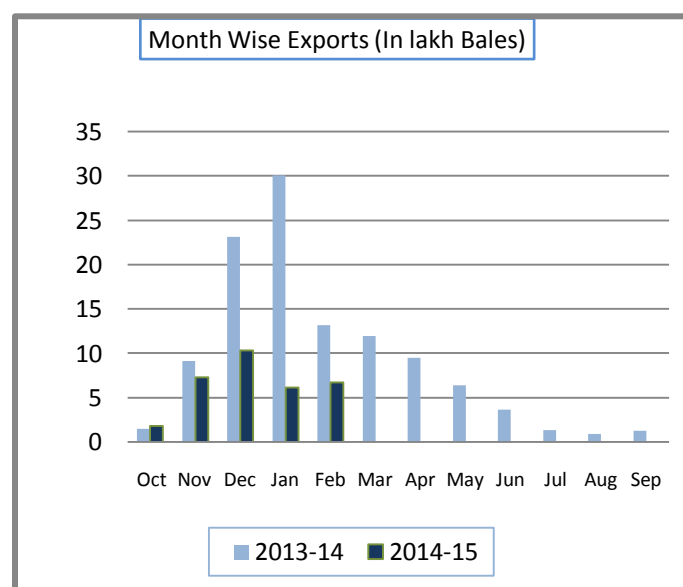




## Cotton Export and Import

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	
Apr	9.46	
May	6.37	
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
<b>Total</b>	<b>111.5</b>	<b>32.2</b>

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	
Apr	0.68	
May	0.56	
Jun	0.73	
Jul	1.55	
Aug	1.32	
Sep	3.34	
<b>Total</b>	<b>11.07</b>	<b>4.88</b>



## Weekly Export Import Data

Date	23 Feb-01 Mar 2015	16-22 Feb 2015
Export (In lakh Bales)	2.34	1.89
Import (In lakh Bales)	0.09	0.21

Source: IBIS

### International Market Scenario

**International cotton prices moved downwards this week on the weak demand and leading supplies.** Cotlook A Index stood as weekly average stood 70.54 cents/pound this week compared to 71.22 cents/pound previous week.

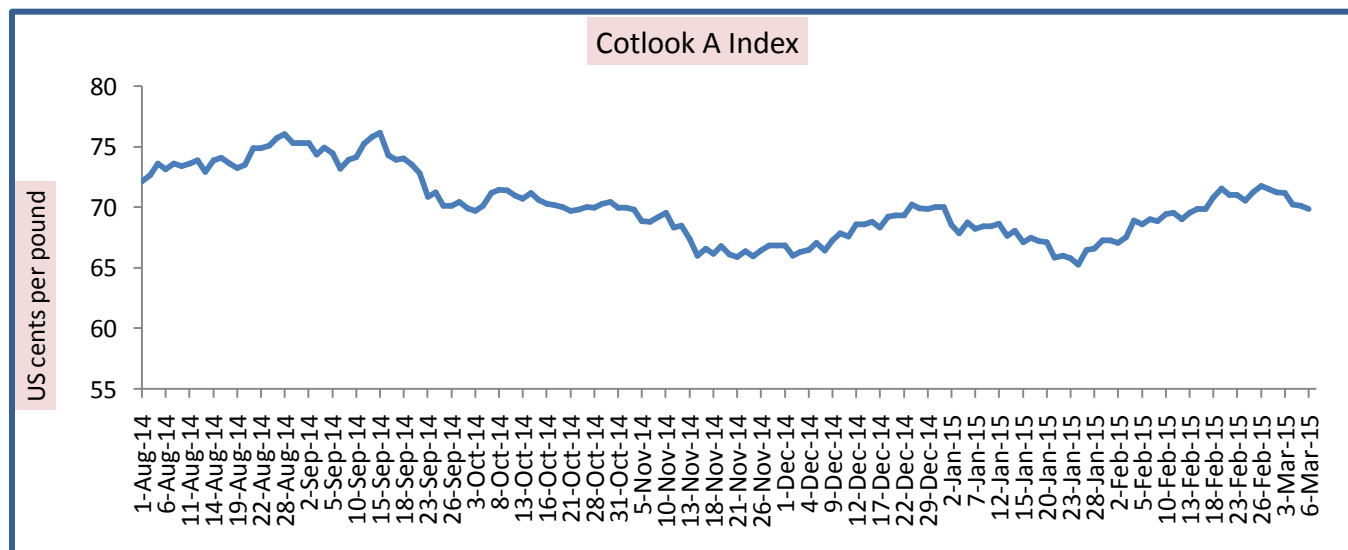
**World cotton production is expected to be around 24.41 million tons in 2015-16** around 7.4 percent lower when compared to the production of current season which is likely to stand around 26.36 million tons, said International Cotton Advisory Committee (ICAC).

**Following the lower production and higher consumption, ending stocks of cotton on the global front is likely to decline for the first time in the last five year.** According to ICAC, Ending stocks is expected to fall to 21.39 million tons in 2015-16, around 1.16% lower when compared to the expected inventory of 21.64 million tons by the end of current season.

**Besides the huge stockpile of cotton, what making cotton price to fall worldwide** is the high internal price of fiber in China, which is forcing mills in the country to opt polyester instead of cotton, which is further creating the demand gap for the cotton in China and worldwide and hence leading to price crash, said the economist of National Cotton Council (NCC).

**China cotton imports during January this year stood 161,200 tonnes 44.9% lower** when compared to the imports last year during the corresponding month. In the initial five months of the season 2014/15, china imported 722,600 tonnes of cotton, 49% lower as compared to the imports during the same period last year.

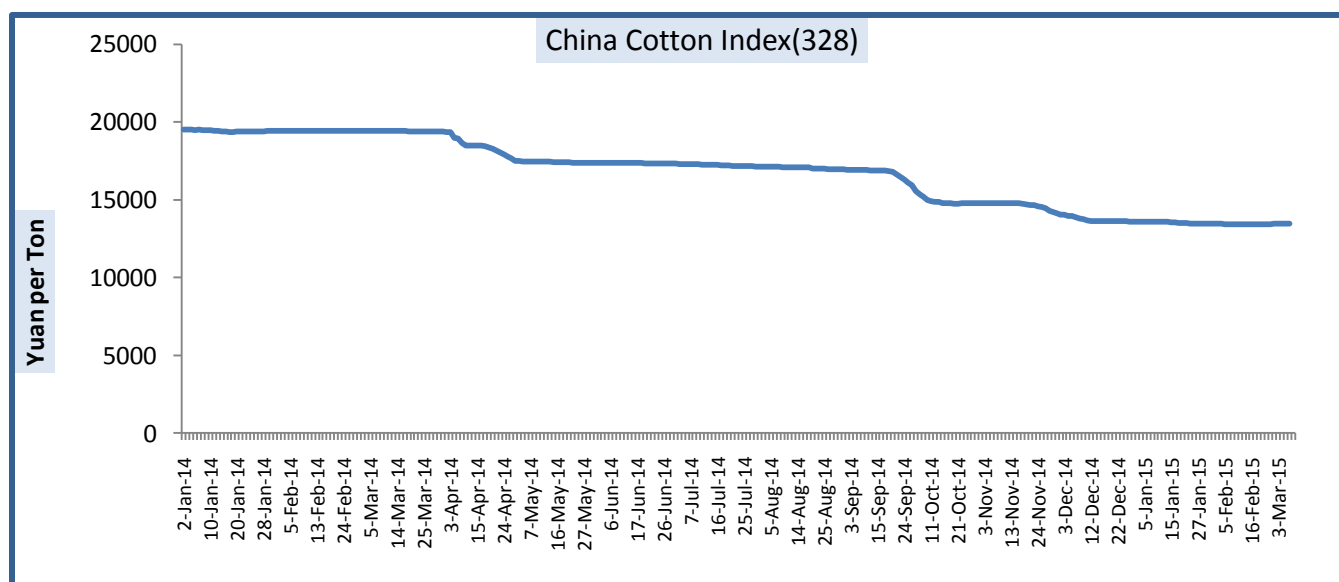
**According to USDA, cotton import on the global front would stand around 7.446 million tonnes** this season slightly higher of 7.401 million tonnes what was estimated previous month. Although cotton exports estimates are a little higher this month; the same is still lower the actual export of cotton in previous season which was around 8.836 million tonnes. The expectation of higher import of cotton from china has lifted the projections this month.



### International Prices and Indices

#### China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	06-Mar-15	27-Feb-15	
CC Index(229)	14194	14165	0.20
CC Index(328)	13468	13440	0.21
CC Index(527)	12430	12425	0.04
Prices in Yuan per Ton			

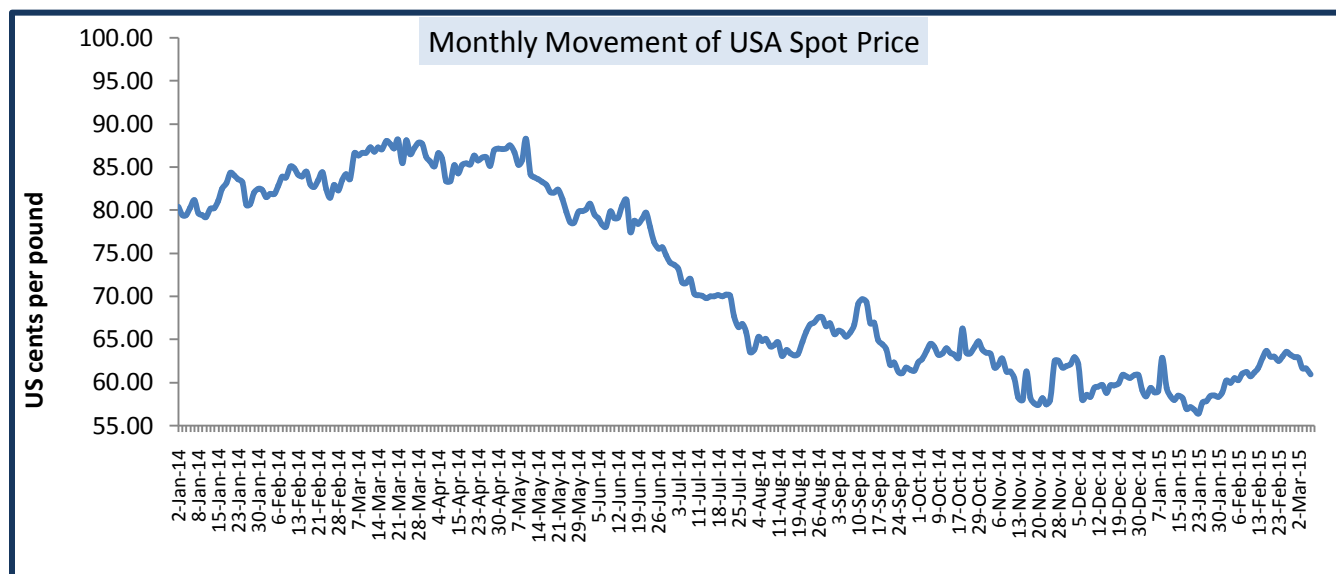


#### Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	06-Mar-15	27-Feb-15	
Prices	70.54	71.22	-0.95
Prices in US cents per Pound			

#### USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	06-Mar-15	27-Feb-15	
Prices	61.76	63.04	-2.03
Prices in US cents per Pound			


**World Monthly Average Cotlook A Index (FE) in US cents per Pound:**

Month	2013-14	2014-15	Y-o-Y % Change
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	67.35	-23.02
February	94.05	69.84	-25.74
March	96.94		
April	94.2		
May	92.7		
June	90.89		
July	83.83		

**Cotton Futures (ICE):**

Contracts	06-Mar-2015	Week Ago	Year Ago	%W-o-W change	%Y-o-Y change
<b>Mar-15</b>	62.95	64.73	79.46	-2.75	-20.78
<b>May-15</b>	62.97	64.93		-3.02	--
<b>Jul-15</b>	63.37	65.22		-2.84	--
<b>Oct-15</b>	63.96	65.85		-2.87	--
<b>Dec-15</b>	64.57	65.85		-1.94	--
<b>Mar-15</b>	64.57	65.84		-1.93	--

Figures in US cents per pound

## Cotton Futures

### Technical Analysis of Cotton Future (April'15 Contract) at NCDEX:



### Weekly Technical Outlook:

- Candlesticks denote downward movement in the prices.
- RSI is moving flat in neutral region.
- Prices are hovering below the 9 and 18 days EMA.
- MACD is depicting weakness in centerline and signal line movement.
- We expect cotton prices to remain sideways to weak.

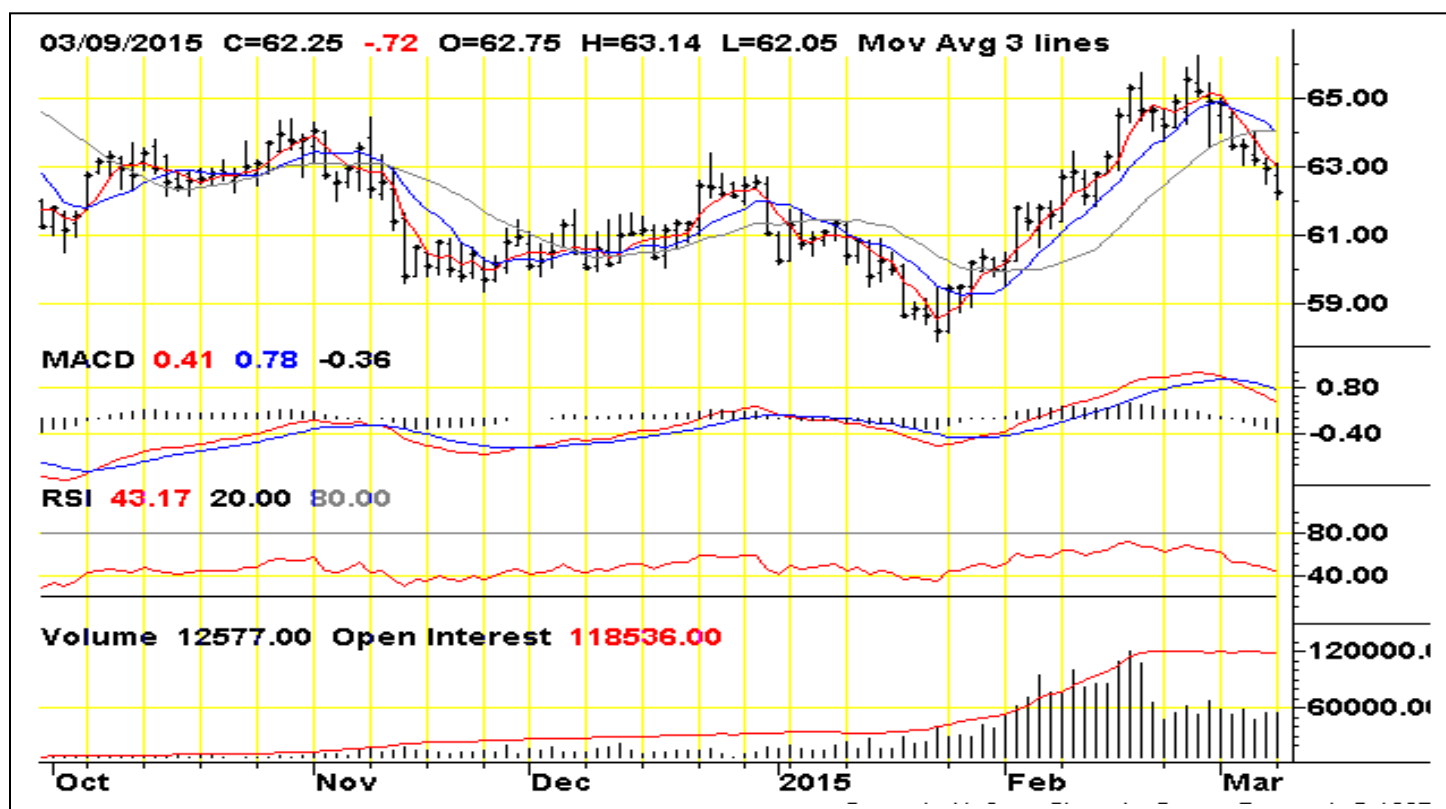
### Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
<b>Sideways to Bearish Momentum</b>	<b>730-755</b>

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
<b>723</b>	<b>716</b>	<b>760</b>	<b>770</b>

Figures in Rs. per 20Kgs.

**Technical Analysis of Cotton Future (May'15 Contract) at ICE**

**Weekly Technical Outlook:**

- Candlesticks denote downward movement in the prices.
- RSI is moving flat in neutral region.
- MACD is depicting weakness in centerline and signal line movement.
- Depleting volume and open interest indicate weakness.
- We expect cotton prices to remain sideways to weak.

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
Sideways to Weak Momentum	61.20-63.20

**Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2
60.40	79.60	64.60	65.00

Figures in US cents per pound

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