

### Current Market Outlook

**Cotton prices remained firm this week compared to the previous week.** Average price of Kapas at Rajkot during the week was Rs. 4070 per quintal, which stood Rs 4025 previous week.

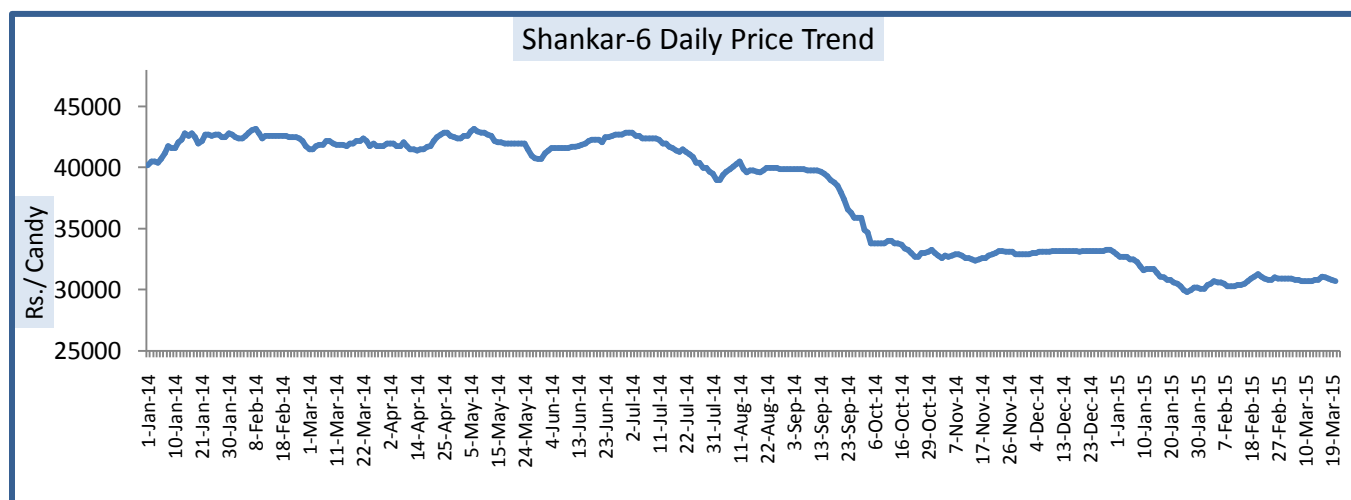
**Cotton Corporation of India (CCI) has procured around 84 lakh bales (170 kg each)** of cotton this season so far. CCI has sold 2.67 lakh bales of cotton till date, according to the officials. Telangana ranks the first among the states who sold their cotton to CCI at MSP. around 35.55 lakh bales has been procured from Telangana, 17.5 lakh bales and 16.5 lakh bales has been procured from Maharashtra and Andhra Pradesh respectively.

**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.

**India exported 1.81 lakh bales of cotton last week (09-15 Mar 2015), which was 1.70 lakh bales** previous to last week (02-08 Mar 2015), according to the data released by IBIS. Imports on the other hand stood 0.17 lakh bales last week, which was 0.16 lakh bales previous to last week.

**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.

**Cotton imports according to CAI latest estimates would be around 13 lakh bales this season,** around 10.64% higher when compared to the imports of previous season which was 11.75 lakh bales. The fall in the imports is due to the decline in the production which would be around 397 lakh bales this season compared to 407.25 lakh bales previous season.



### 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.

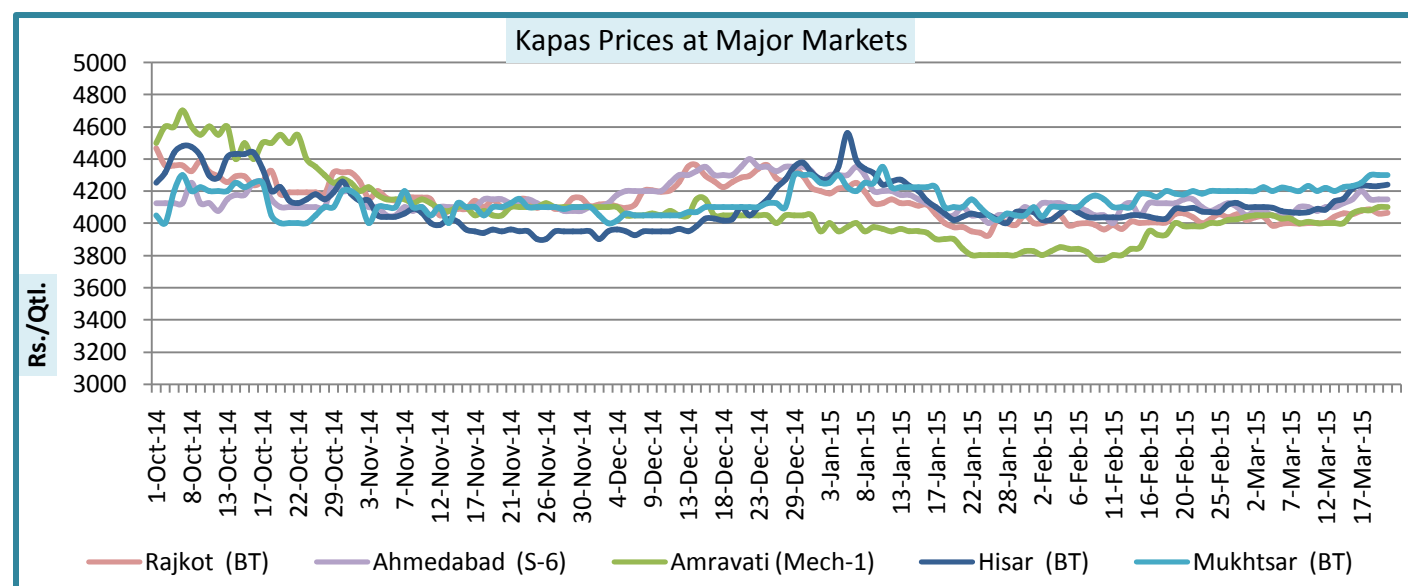
### Domestic Cotton Prices

#### Cotton Prices at Key Spot Centers:

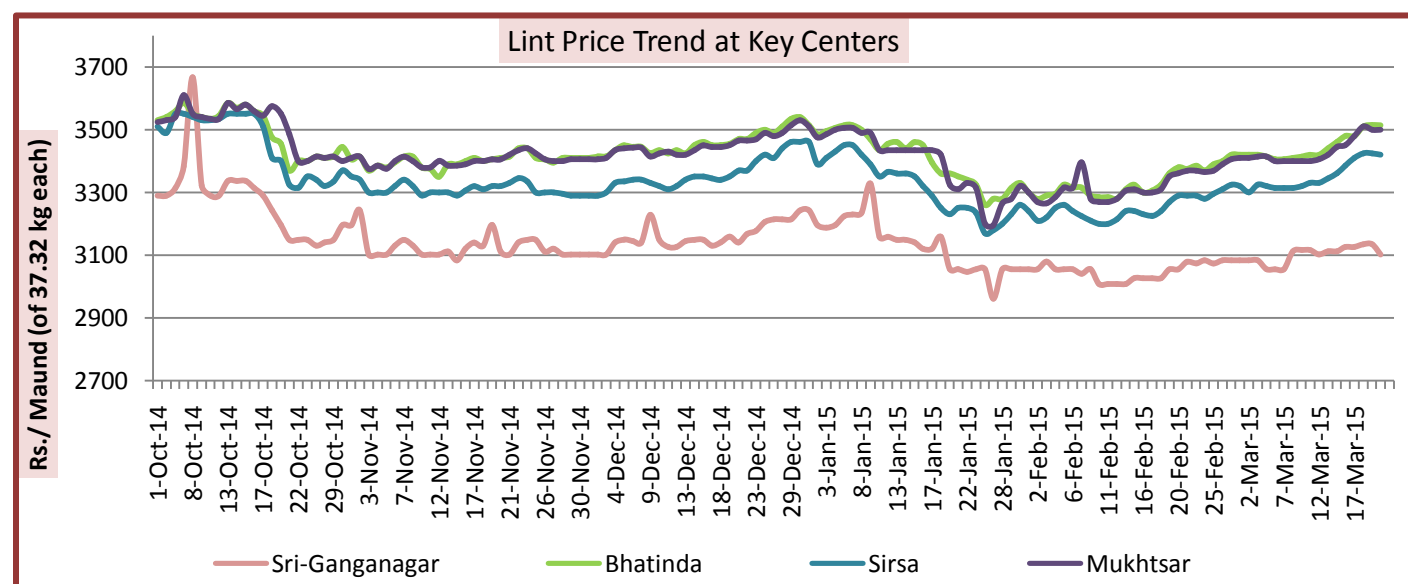
Centre	Variety	Weekly Average Prices as on		Change
		20th Mar 2015	13th Mar 2015	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4070	4000	70
Khandwa	Mech-1	4170	4000	170
Khargaon	Mech-1	4050	4050	Unch
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4250	4170	80
Rajkot	B.T. Cotton	4065	4005	60
Patan	B.T. Cotton	4135	4105	30
Deesa	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	4265	4210	55
Fazilika	B.T. Cotton	4220	4185	35
Bhiwani	B.T. Cotton	4290	4180	110
Adampur	B.T. Cotton	4215	4085	130
Fatehabad	B.T. Cotton	4245	4070	175
Dabwali	B.T. Cotton	4150	4045	105
Jind	B.T. Cotton	4275	4105	170
Uchana	B.T. Cotton	4245	4095	150
Rawatsar	B.T. Cotton	4195	4100	95
Hubli	B.T. Cotton	4020	3935	85
Hathras	B.T. Cotton	3100	NA	-
Hanumangarh	B.T. Cotton	4235	4135	100
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4155	4095	60
Gondal	Shankar-6	4060	3985	75
	<b>Kapas</b>			
Hathras	Desi	3500	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4040	4025	15
Guntur	Un-Ginned	4050	4050	Unch
Kurnool	Un-Ginned	4035	4230	-195
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4035	4015	20
	<b>Lint</b>	<b>(Rs./Maund of 37.32kg each)</b>		
Abohar	J-34	3490	3425	65
Muktsar	J-34	3480	3405	75
Fazilika	J-34	3460	3405	55

Bhatinda	J-34	3495	3420	75
Mansa	J-34	3480	3395	85
Sirsa	J-34	3405	3330	75
Sri-Ganganagar	J-34	3125	3110	15

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



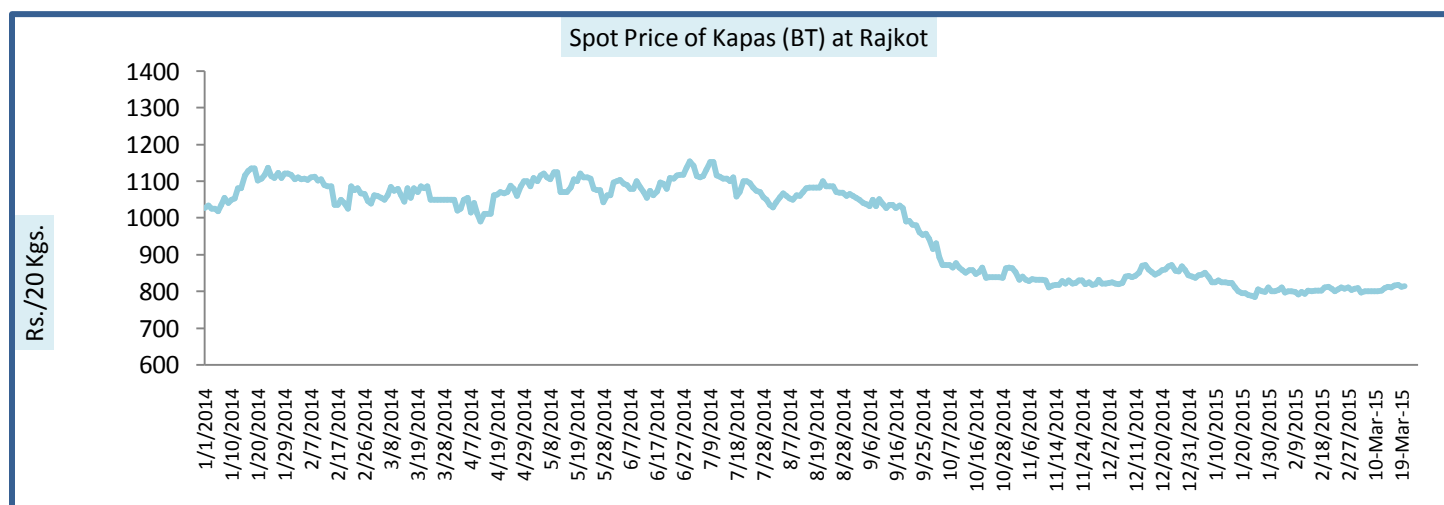
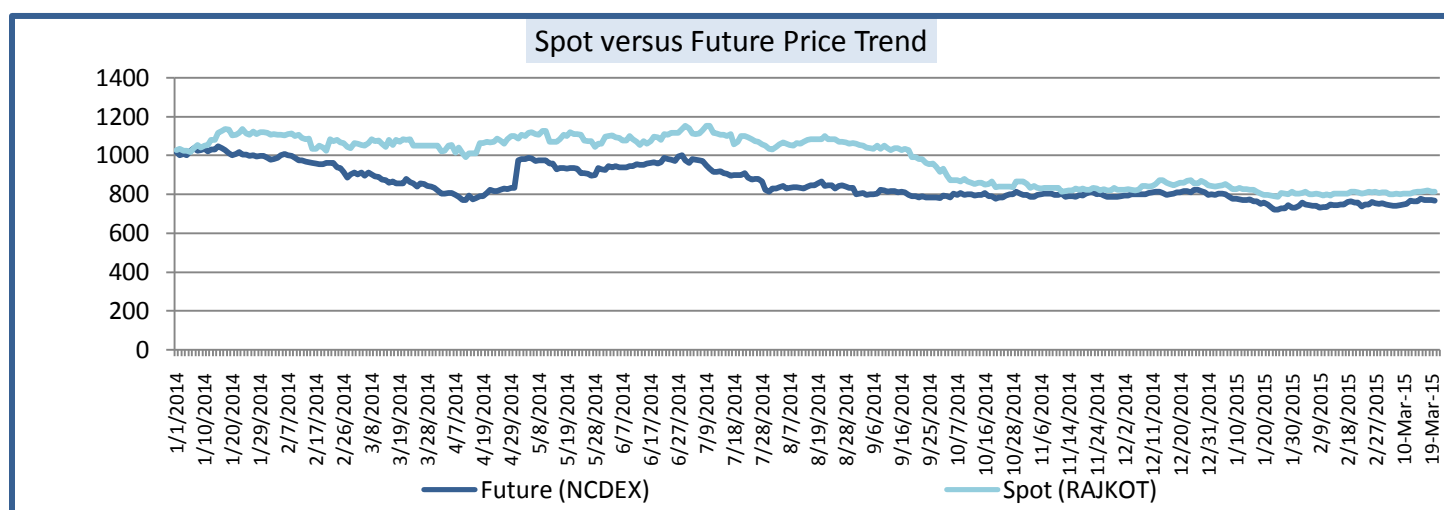
### Price Trend of Lint at Various Centers



**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength / GPT	Weekly Average Prices* as on		+/- Change
				19th Mar 2015	13th Mar 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30540	30235	305
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	31040	30735	305
J-34(202)	26mm	3.5 - 4.9	23	31840	31115	725
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	30220	30035	185
Shankar-6(105)	29mm	3.5 - 4.9	28	30920	30735	185
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33580	33135	445
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34620	34200	420
DCH-32(107)	34mm	3.0 - 3.8	33	40000	39350	650

\*Rs/candy (of 356 kg each)

**Price Movement at Spot and Future Market:**


### Cotton Arrivals at Key Centers:

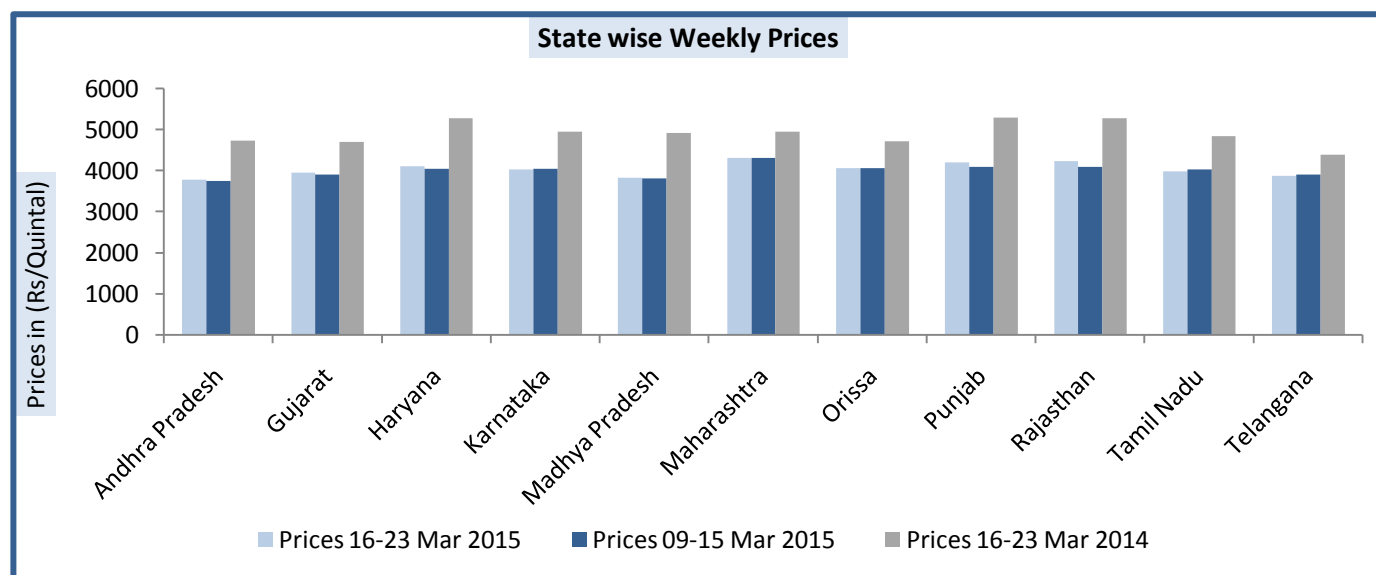
Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		14th to 20th Mar 2015	5th to 13th Mar 2015	
Amravati	Mech-1	6300	8100	-1800
Khandwa	Mech-1	2600	1000	1600
Khargaon	Mech-1	17000	16000	1000
Mahesana(Kadi)	B.T. Cotton	175000	165000	10000
Rajkot	B.T. Cotton	15000	8800	6200
Patan	B.T. Cotton	27410	30938	-3528
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	800	800	Unch
Muktsar	B.T. Cotton	1683	1496	187
Bhiwani	B.T. Cotton	11500	12500	-1000
Adampur	B.T. Cotton	2125	2380	-255
Fatehabad	B.T. Cotton	1875	2750	-875
Dabwali	B.T. Cotton	2250	2050	200
Jind	B.T. Cotton	357	238	119
Uchana	B.T. Cotton	2110	3310	-1200
Rawatsar	B.T. Cotton	255	200	55
Hubli	B.T. Cotton	322	292	30
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	1150	1200	-50
Ahmedabad	Shankar-6	263500	217600	45900
Gondal	Shankar-6	5928	4399	1529
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	11947	11586	361
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	54.5	36.6	17.9
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	2635	3230	-595
Bhatinda	J-34	41650	55250	-13600
Mansa	J-34	2465	2465	Unch
Sirsa	J-34	4250	3995	255
Sri-Ganganagar	J-34	4505	8670	-4165

### State wise Scenario

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

State	Prices 16-23 Mar 2015	Prices 09-15 Mar 2015	Prices 16-23 Mar 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3770.78	3734.93	4724.39	0.96	-20.18
Gujarat	3945.02	3901.08	4698.53	1.13	-16.04
Haryana	4094.39	4029.2	5270.86	1.62	-22.32
Karnataka	4013.37	4042.09	4940.94	-0.71	-18.77
Madhya Pradesh	3819.02	3806.74	4911.01	0.32	-22.24
Maharashtra	4300	4300	4942.69	Unch	-13
Orissa	4045.11	4045.2	4708.77	Unch	-14.09
Punjab	4198.92	4087.94	5280.57	2.71	-20.48
Rajasthan	4221.93	4085.19	5261.5	3.35	-19.76
Tamil Nadu	3980.79	4015.74	4824.5	-0.87	-17.49
Telangana	3863.84	3888.77	4386.97	-0.64	-11.92
Average	4023.02	5507.24	4958.47		

*Source: Agmarknet*

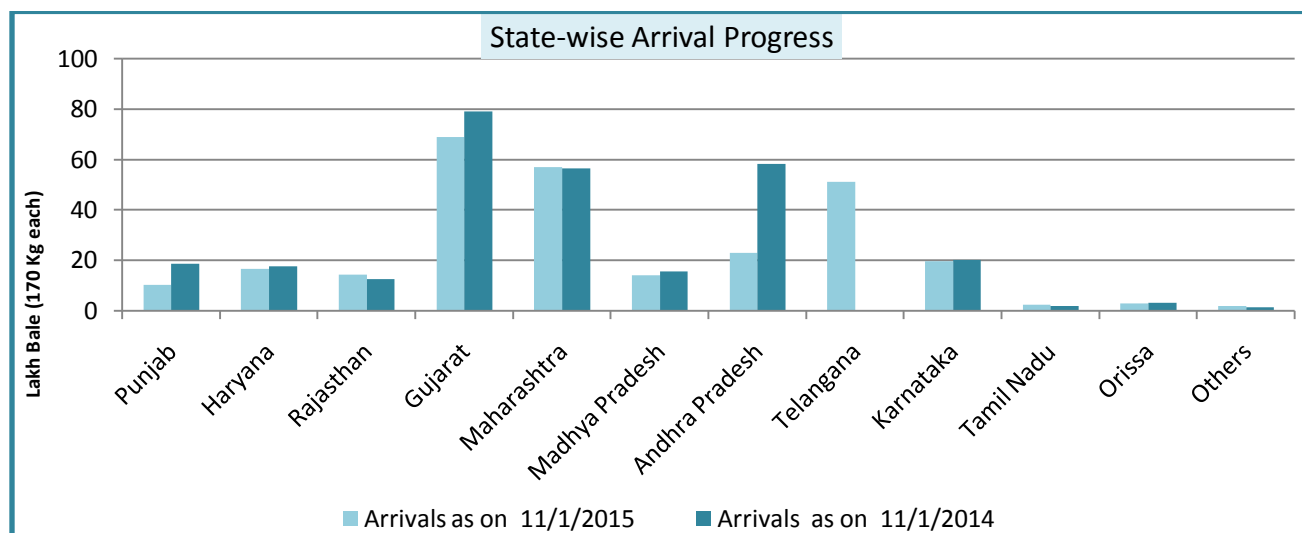


**State wise Arrivals (in lakh bales of 170 kgs each):**

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	08-03-2015	02-07-2014	08-03-2014
1. Punjab	14	10.15	21	18.69
2. Haryana	25	16.47	23	17.61
3. Rajasthan	17	14.25	14	12.35
<b>A. North Total (1+2+3)</b>	<b>56</b>	<b>40.87</b>	<b>58</b>	<b>48.65</b>
4. Gujarat	125	68.98	120	79.1
5. Maharashtra	85	57.12	84	56.56
6. Madhya Pradesh	18	13.93	19	15.63
<b>B. Central Total (4+5+6)</b>	<b>228</b>	<b>140.03</b>	<b>223</b>	<b>151.29</b>
7. Andhra Pradesh	50	22.96	76	58.22
8. Telangana	27	51.15	--	--
9. Karnataka	28	19.69	22	19.98
10. Tamil Nadu	5	2.27	5	1.74
<b>C. South Total (7+8+9)</b>	<b>110</b>	<b>96.07</b>	<b>103</b>	<b>79.94</b>
11. Orissa	4	2.78	4	3.07
12. Others	2	1.75	2	1.36
<b>D. Total (11+12)</b>	<b>6</b>	<b>4.53</b>	<b>6</b>	<b>4.43</b>
<b>Grand Total (A+B+C+D)</b>	<b>400</b>	<b>281.5</b>	<b>390</b>	<b>284.31</b>

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

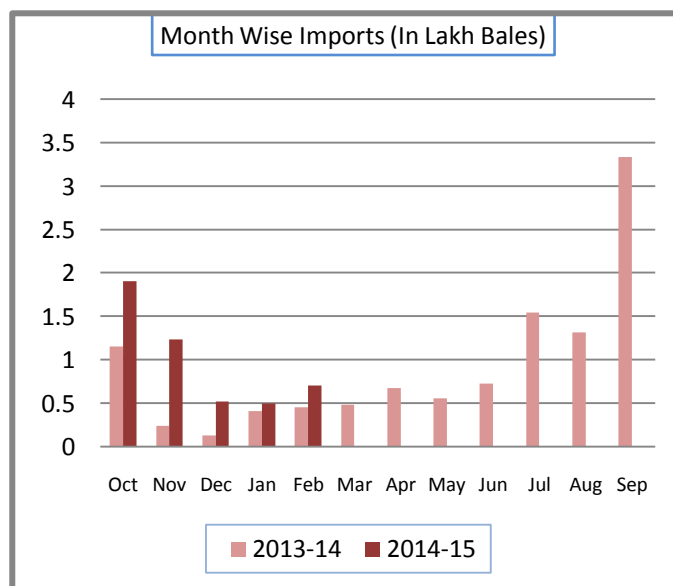
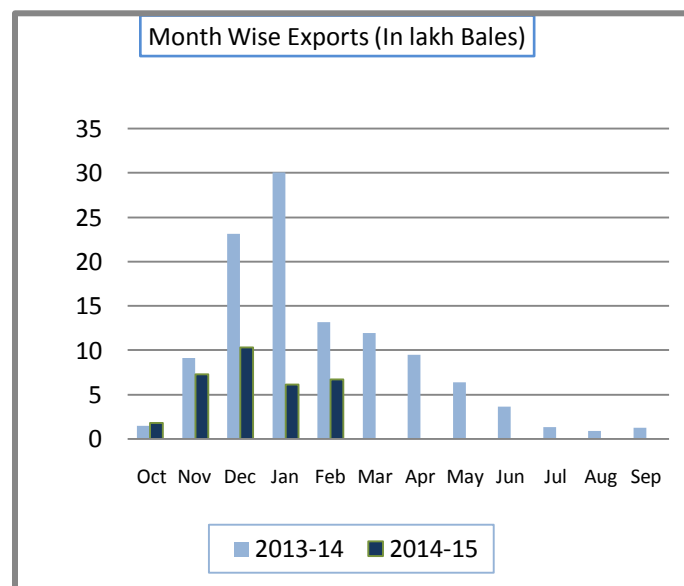




## Cotton Export and Import

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	09-15 Mar 2015	02-08 Mar 2015
Export (In lakh Bales)	1.81	1.70
Import (In lakh Bales)	0.17	0.16

Source: IBIS

### International Market Scenario

**International cotton prices moved downwards this week slightly following dull cotton market in China and India.** Cotlook A Index stood as weekly average stood 68.20 cents/pound this week compared to 68.32 cents/pound previous week.

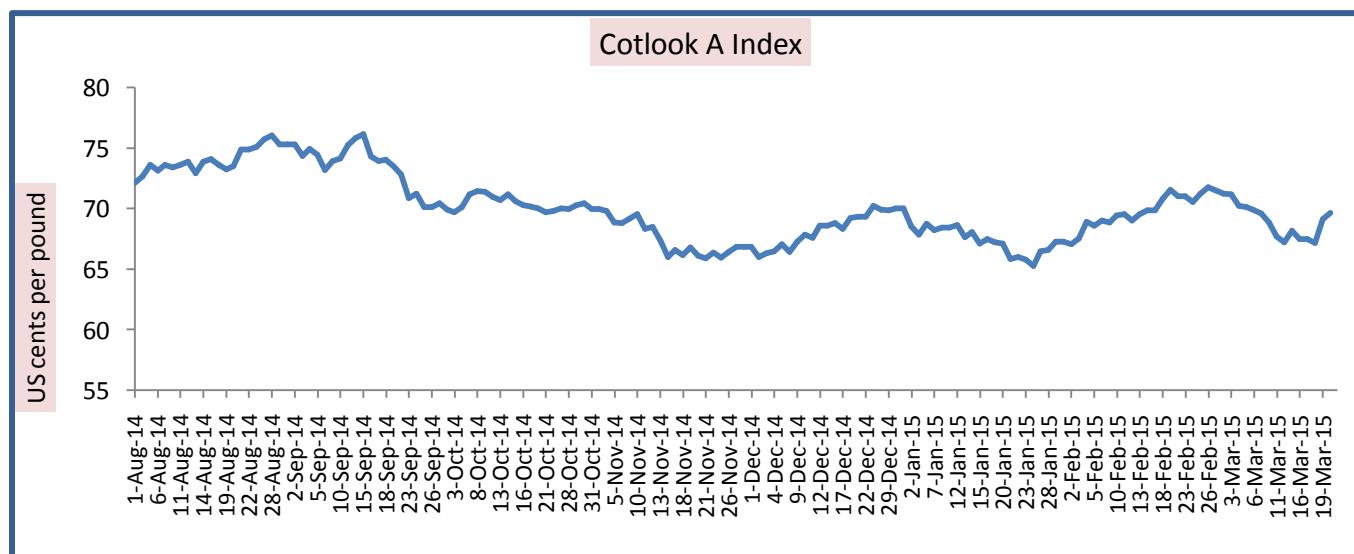
**ICE cotton plunged up on the higher US cotton exports sales data.** USDA reported net export sales of 238600 bales of upland cotton during the week ended March 12, around 36800 bales higher when compared to previous week. The most active May'15 contract touched the high of 63.41 cents a pound and settled at 62.95 cents a pound on Thursday.

**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).

**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.

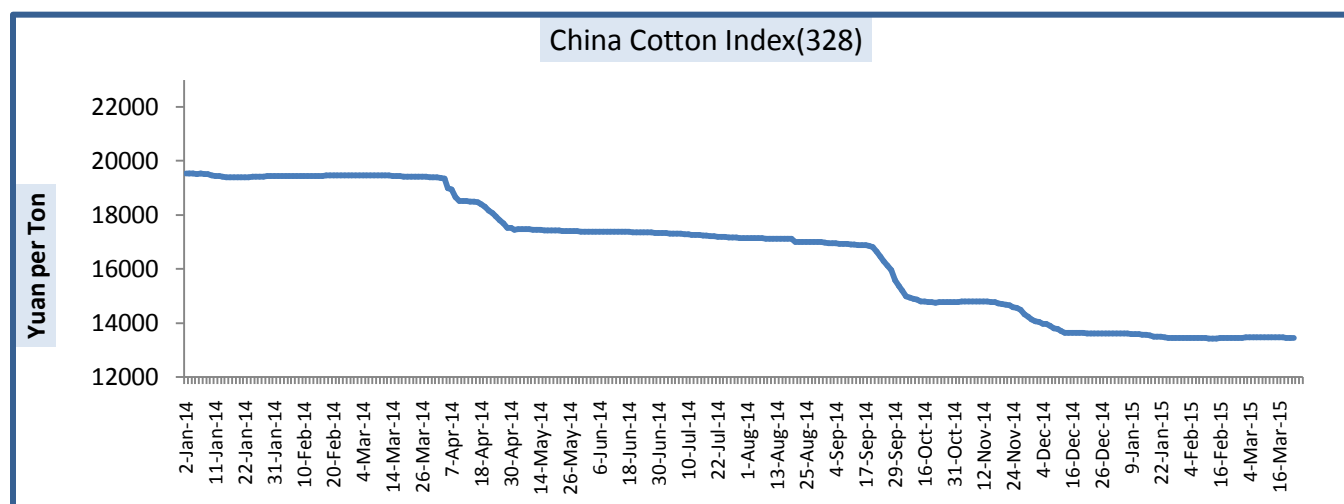
**USDA in its latest world supply and demand report, estimated world cotton inventory** to be around 23.96 million tonnes by the end of current season which was earlier estimated 23.914 million tonnes previous month. USDA has also lowered the China cotton consumption to 7.620 million tonnes this month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



### International Prices and Indices

#### China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	20-Mar-15	13-Mar-15	
CC Index(229)	14168	14190	-0.16
CC Index(328)	13455	13470	-0.11
CC Index(527)	12425	12430	-0.04
Prices in Yuan per Ton			

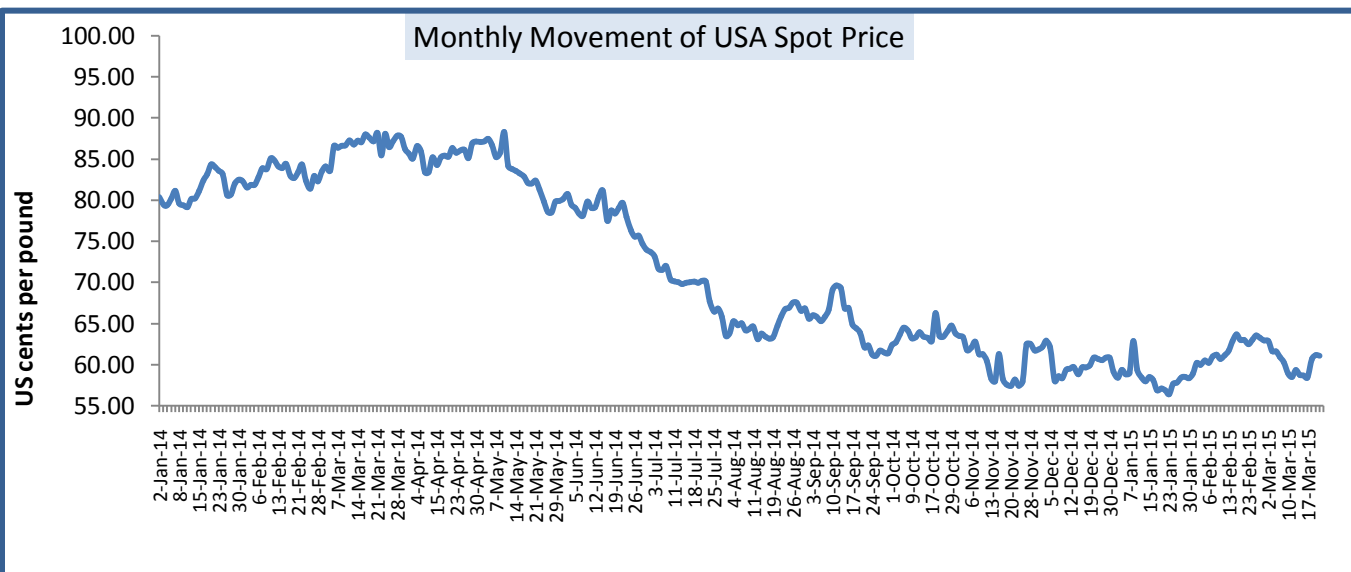


#### Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	20-Mar-15	13-Mar-15	
Prices	68.2	68.32	-0.18
Prices in US cents per Pound			

#### USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	20-Mar-15	13-Mar-15	
Prices	59.99	59.15	1.42
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	20-Mar-2015	Week Ago	Year Ago	%W-o-W change	%Y-o-Y change
<b>Mar-15</b>	62.82	61.19	79.8	2.66	-21.28
<b>May-15</b>	63.4	61.82	--	2.56	--
<b>Jul-15</b>	63.78	62.59	--	1.90	--
<b>Oct-15</b>	64.06	62.9	--	1.84	--
<b>Dec-15</b>	63.99	63.46	--	0.84	--
<b>Mar-15</b>	64.26	--	--		--

Figures in US cents per pound

## Cotton Futures

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



### Weekly Technical Outlook:

- Candlesticks denote range bound movement in the prices.
- RSI is moving flat in neutral region.
- Prices are hovering above the 9 and 18 days EMA.
- MACD is depicting recovery in centerline and signal line movement.
- We expect cotton prices to remain in range with firm biasness.

### Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range Bound to Bullish Momentum	755-795

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
750	735	800	815

Figures in Rs. per 20Kgs.

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

**Weekly Technical Outlook:**

- Candlesticks denote upward movement in the prices.
- Rising prices and increasing V&OI denotes firmness.
- We expect cotton prices to remain overall firm.

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
<b>Bullish Momentum</b>	60.80-65.20

**Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2
60.00	59.20	65.60	66.20

Figures in US cents per pound

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