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. 4085 per quintal, which stood Rs 4070 previous week.

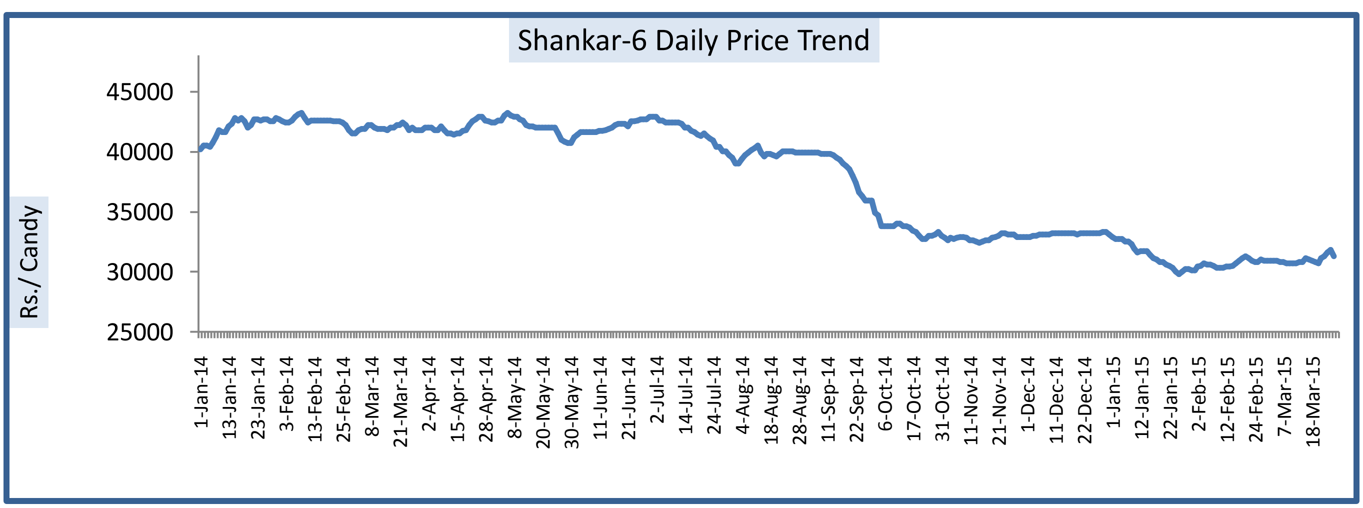
Cotton Association of India (CAI) estimated cotton output in country during season 2014-15 to be around 396 lakh bales in its February estimates which was estimated 397 lakh bales in January.

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.

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.

Cotton Corporation of India (CCI) expects cotton production during the current season to be much lower which was expected earlier. Cotton output from the country in season 2014-15 would stand around 360-370 lakh bales which was earlier estimated 400 lakh bales, said BK Mishra, CMD, CCI. The drop in the total output is the result of fall in individual output from northern and western states.

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.



Domestic Balance Sheet

Item	2013-14*	2014-15*
Supply		
Opening stock	40	32
Crop size	398	400
Imports	10.8	7
Availability	448.8	439
Demand		
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.

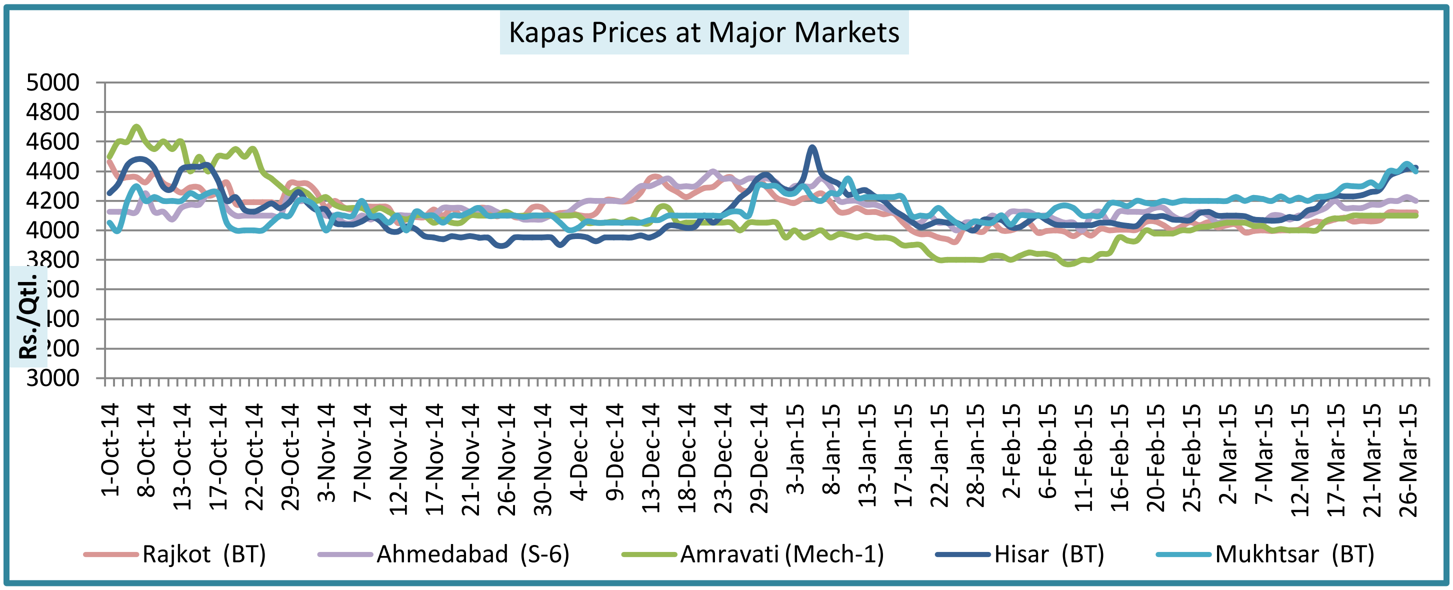
Domestic Cotton Prices

Cotton Prices at Key Spot Centers:

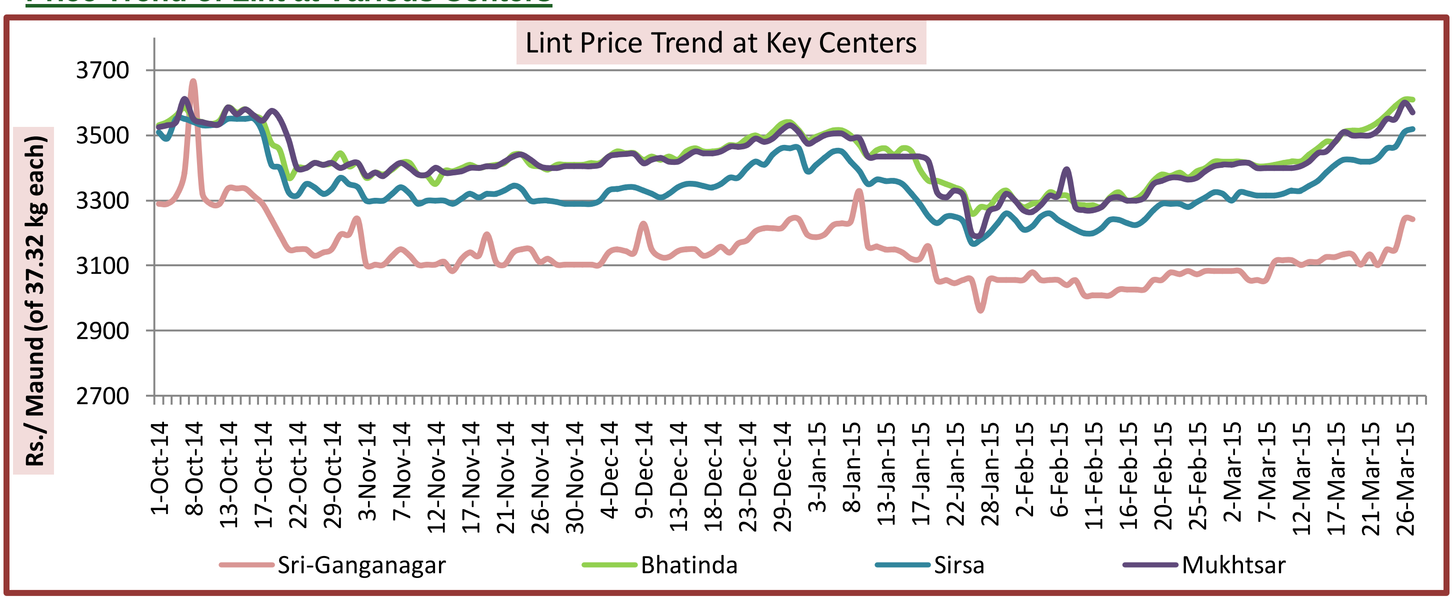
Centre	Variety	Weekly Average Prices		Change
		21st to 27th Mar 2015	14th to 20th Mar 2015	
	Kapas	**(Rs./Qtl)**		
Amravati	Mech-1	4100	4070	30
Khandwa	Mech-1	4200	4170	30
Khargaon	Mech-1	4200	4050	150
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4345	4250	95
Rajkot	B.T. Cotton	4085	4065	20
Patan	B.T. Cotton	4180	4135	45
Deesa	B.T. Cotton	NA	NA	--
Dhrol	B.T. Cotton	4110	NA	--
Muktsar	B.T. Cotton	4380	4265	115
Fazilika	B.T. Cotton	4290	4220	70
Bhiwani	B.T. Cotton	4465	4290	175
Adampur	B.T. Cotton	4355	4215	140
Fatehabad	B.T. Cotton	4365	4245	120
Dabwali	B.T. Cotton	4215	4150	65
Jind	B.T. Cotton	4410	4275	135
Uchana (Jind)	B.T. Cotton	4380	4245	135
Rawatsar (Hanumangarh)	B.T. Cotton	4305	4120	185
Hubli	B.T. Cotton	4005	4020	-15
Hathras	B.T. Cotton(US)	3100	3100	Unch
Hanumangarh	B.T. Cotton	4325	4235	90
	Kapas			
Ahmedabad	Shankar-6	4195	4155	40
Gondal	Shankar-6	4085	4060	25
	Kapas			
Jamner (Jalgaon)	Medium Staple	3850	NA	--
Hathras	Desi	3500	3500	Unch
Bijapur	Bunny	NA	NA	--
Hubli	D.C.H.	NA	NA	--
Raichur	H-44 Cotton	4070	4040	30
Guntur	Un-Ginned	NA	4050	--
Kurnool	Un-Ginned	4040	4035	5
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4050	4035	15
	Lint			
Abohar	J-34	3570	3490	80
Muktsar	J-34	3550	3480	70
Fazilika	J-34	3530	3460	70

Bhatinda	J-34	3575	3495	80
Mansa	J-34	3540	3480	60
Sirsa	J-34	3470	3405	65
Sri-Ganganagar	J-34	3170	3125	45

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



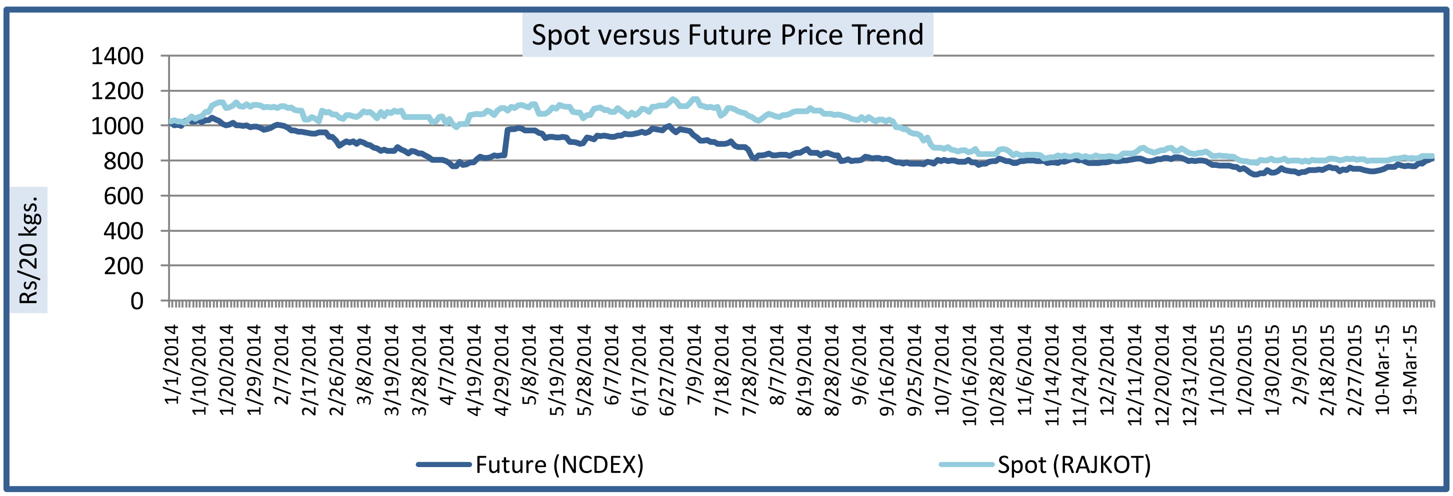
Price Trend of Lint at Various Centers

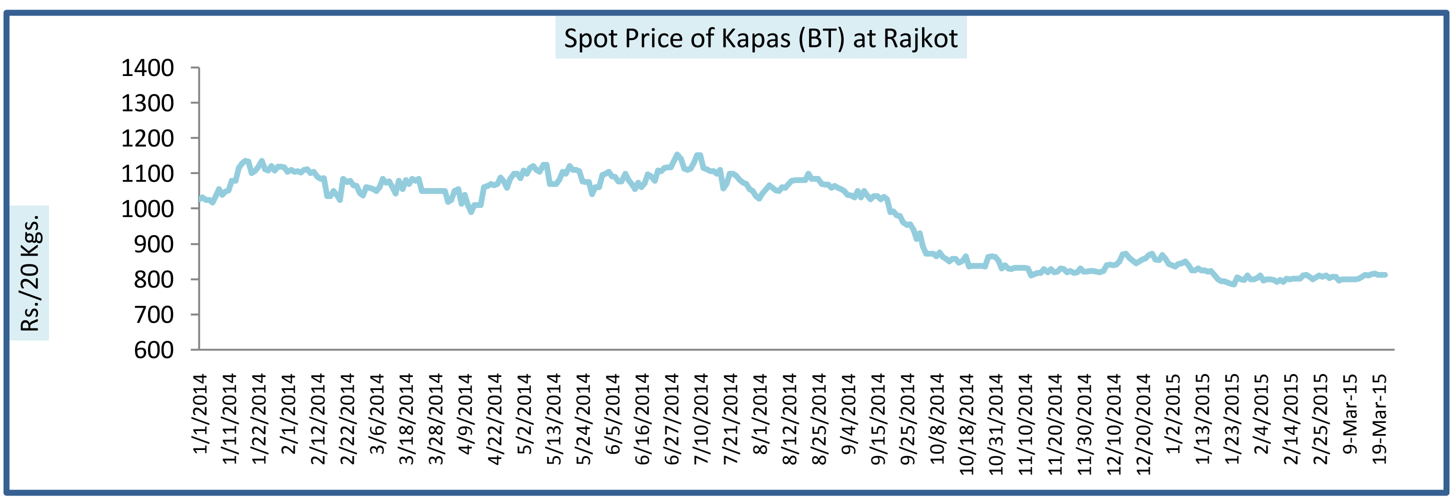


Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength / GPT	Rs. Per Candy 20th to 26th Mar 2015	Rs. Per Candy 14th to 19th Mar 2015	Change
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	31300	30540	760
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	31800	31040	760
J-34(202)	26mm	3.5 - 4.9	23	32380	31840	540
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	30780	30220	560
Shankar-6(105)	29mm	3.5 – 4.9	28	31300	30920	380
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33800	33580	220
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34800	34620	180
DCH-32(107)	34mm	3.0 - 3.8	33	41100	40000	1100

Price Movement at Spot and Future Market:





Cotton Arrivals at Key Centers:

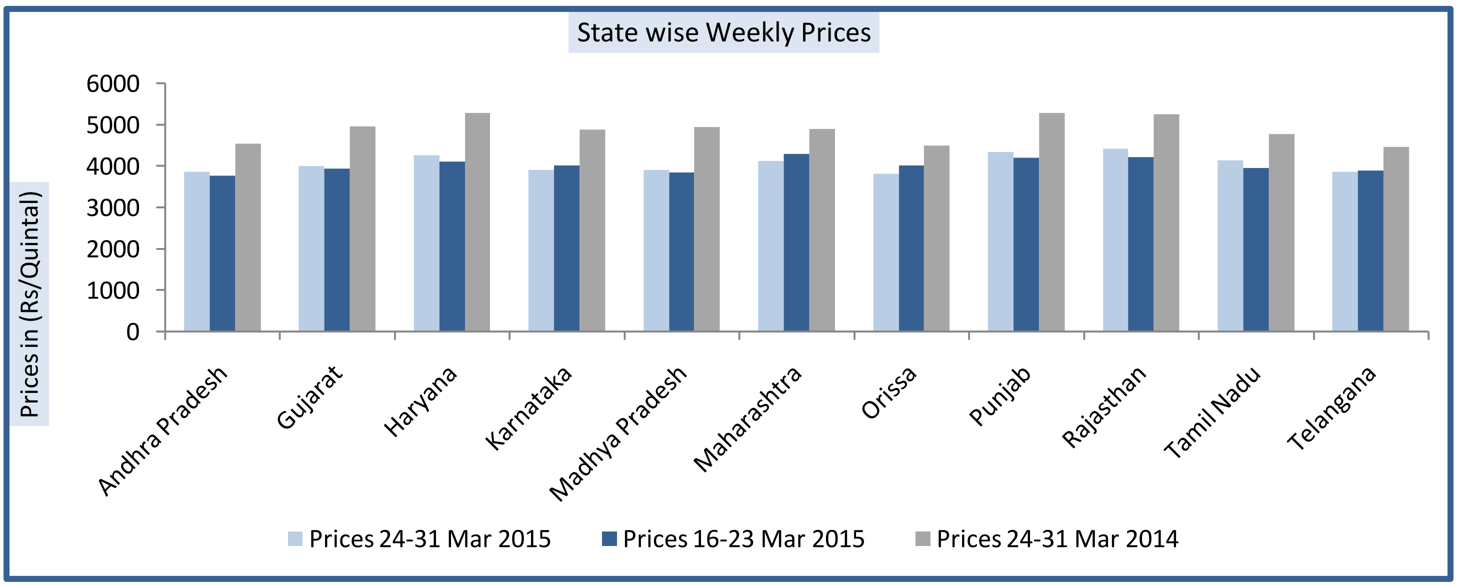
Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		21st to 27th Mar 2015	14th to 20th Mar 2015	
Amravati	Mech-1	7200	6300	900
Khandwa	Mech-1	300	2600	-2300
Khargaone	Mech-1	1500	17000	-15500
Mahesana(Kadi)	B.T. Cotton	102500	175000	-72500
Rajkot	B.T. Cotton	4800	15000	-10200
Patan	B.T. Cotton	25663	27410	-1747
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	438	800	-362
Dhrol	B.T. Cotton	500	NA	-
Muktsar	B.T. Cotton	1020	1683	-663
Bhiwani	B.T. Cotton	8300	11500	-3200
Adampur	B.T. Cotton	3740	2125	1615
Fatehabad	B.T. Cotton	2275	1875	400
Dabwali	B.T. Cotton	2600	2250	350
Jind	B.T. Cotton	264	357	-94
Uchana (Jind)	B.T. Cotton	3970	2110	1860
Rawatsar (Hanumangarh)	B.T. Cotton	350	255	95
Hubli	B.T. Cotton	230	322	-92
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	350	1150	-800
Ahmedabad	Shankar-6	314500	263500	51000
Gondal	Shankar-6	3015	5928	-2913
Jamner (Jalgaon)	Medium Staple	1087	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	12306	11947	359
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	0.3	54.5	-54
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	2210	2635	-425
Bhatinda	J-34	51000	41650	9350
Mansa	J-34	2380	2465	-85
Sirsa	J-34	5100	4250	850
Sri-Ganganagar	J-34	4590	4505	85

State wise Scenario

State wise Weekly Prices (Rs./Qtl.)

State	Prices 24-31 Mar 2015	Prices 16-23 Mar 2015	Prices 24-31 Mar 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3861.13	3772.62	4538.75	2.35	-14.93
Gujarat	4010.61	3947.96	4959.61	1.59	-19.13
Haryana	4273.4	4117.93	5283.76	3.78	-19.12
Karnataka	3908.06	4015.16	4884.49	-2.67	-19.99
Madhya Pradesh	3916.69	3850.18	4947.27	1.73	-20.83
Maharashtra	4136.45	4300	4908.06	-3.8	-15.72
Orissa	3827.27	4020.01	4500	-4.79	-14.95
Punjab	4344.92	4209.88	5283.37	3.21	-17.76
Rajasthan	4424.51	4218.52	5257.52	4.88	-15.84
Tamil Nadu	4149.2	3959.17	4776.34	4.8	-13.13
Telangana	3872.63	3896.52	4467.92	-0.61	-13.32
Average	4065.9	4028	4882.54		

Source: Agmarknet



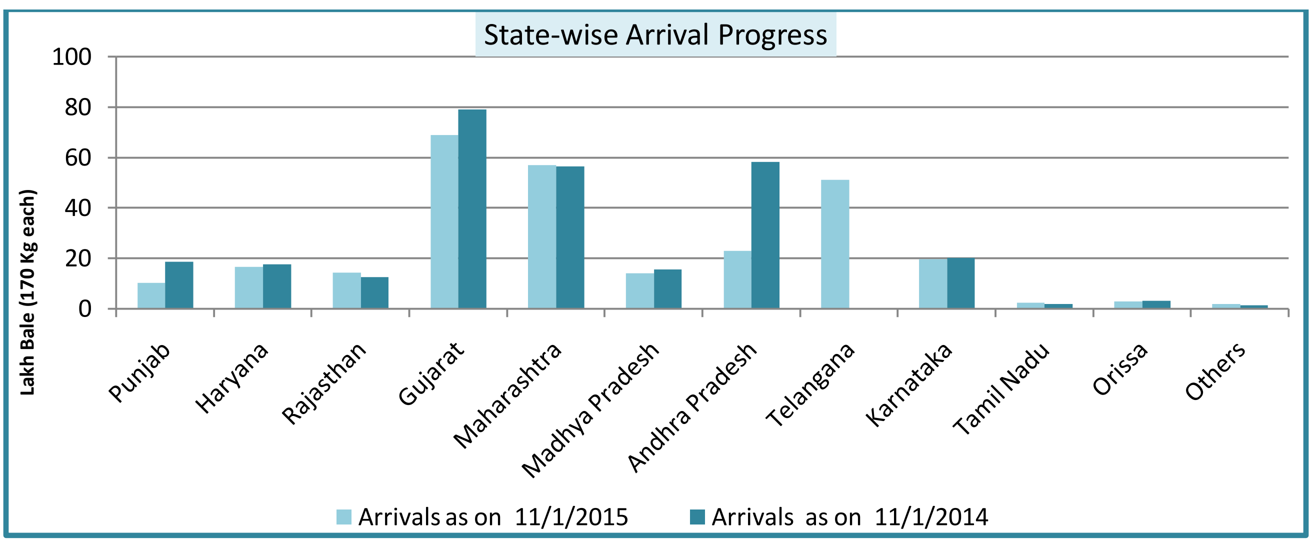
State wise Arrivals (in lakh bales of 170 kgs each):

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
A. North Total (1+2+3)	**56**	**40.87**	**58**	**48.65**
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. Central Total (4+5+6)	**228**	**140.03**	**223**	**151.29**
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
C. South Total (7+8+9)	**110**	**96.07**	**103**	**79.94**
11. Orissa	4	2.78	4	3.07
12. Others	2	1.75	2	1.36
D. Total (11+12)	**6**	**4.53**	**6**	4.43
Grand Total (A+B+C+D)	**400**	**281.5**	**390**	**284.31**

* Inclusive of new crop arrivals in September 2014

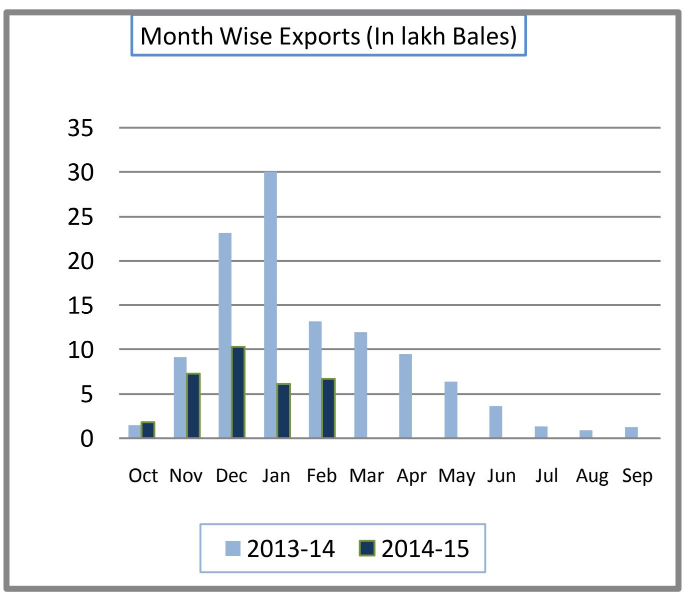
** Quantity in lakh bales (of 170 kgs. each)

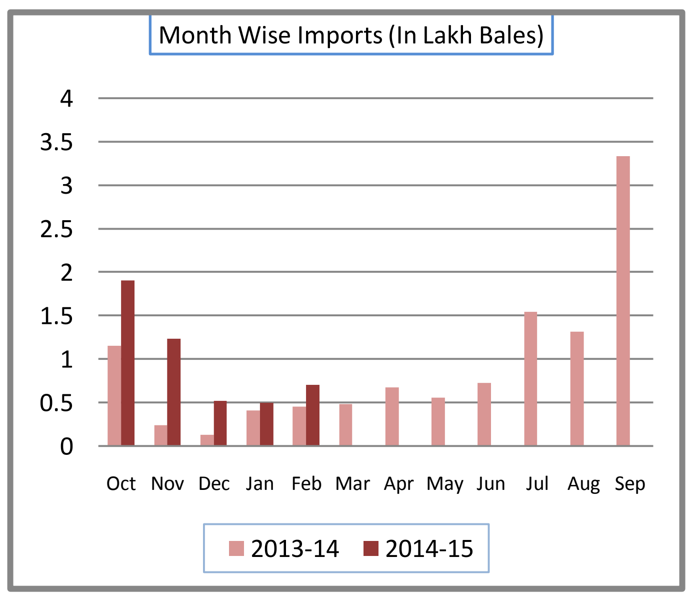


Cotton Export and Import

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	
Total	**111.5**	**32.2**

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	
Total	**11.07**	**4.88**





Weekly Export Import Data

Date	16-22 Mar 2015	09-15 Mar 2015
Export (In lakh Bales)	1.82	1.81
Import (In lakh Bales)	0.11	0.17
		Source: IBIS

International Market Scenario

International cotton prices remained firm this week following the depletion of cotton stocks in USA and Brazil. Cotlook A Index stood as weekly average stood 70.13 cents/pound this week compared to 68.20 cents/pound previous week.

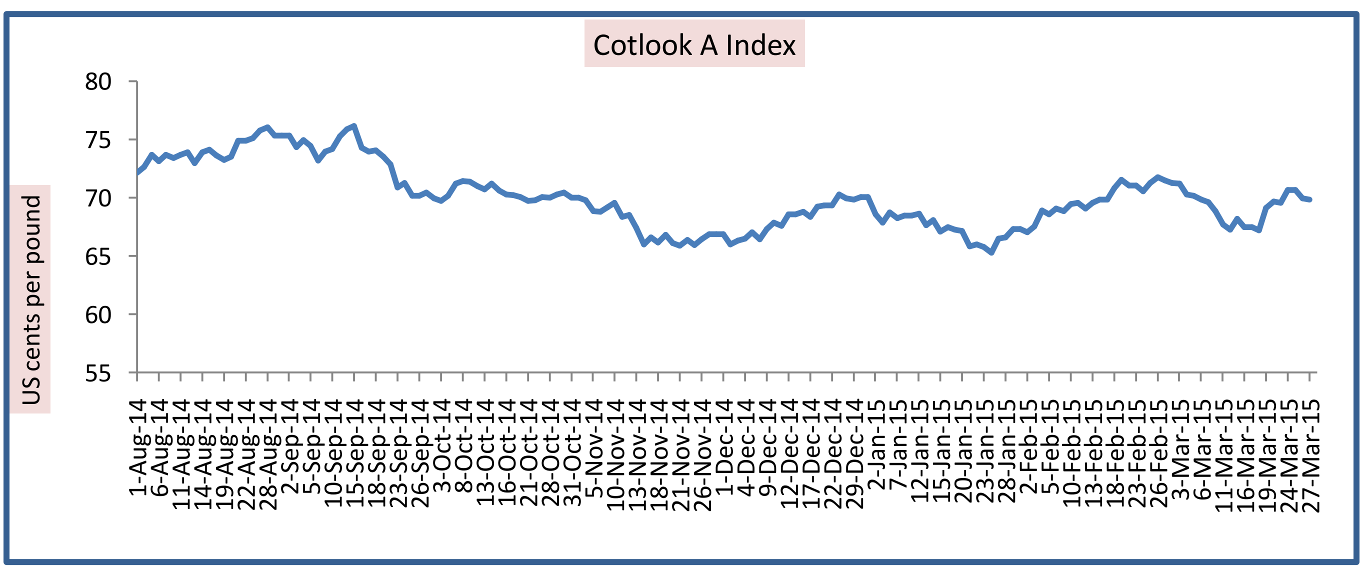
Cotton exports from Pakistan has fell down by 15% during the initial eight of the current fiscal year (FY15) when compared to the exports in corresponding period last year. According to the market participants Pakistan cotton is unable to capture world market, despite the lower price of their produce.

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.

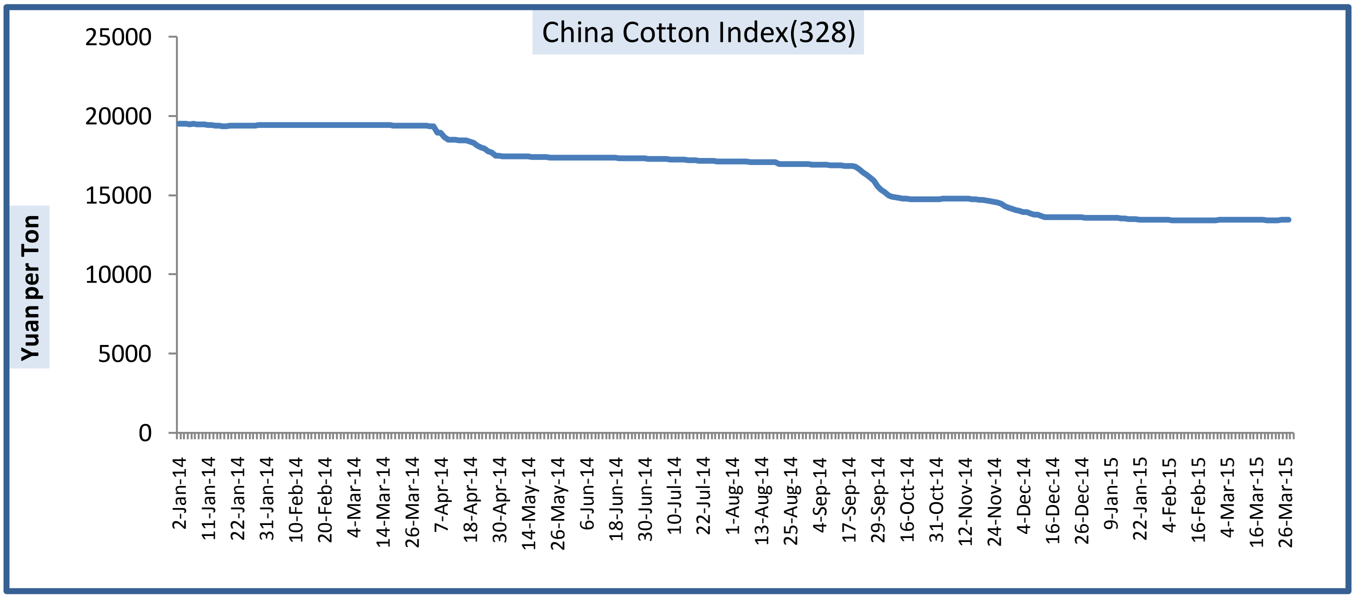
USDA in its latest world supply and demand report, estimated world cotton inventory to be around 23.96 million tonnes by the end of current season which was earlier estimated 23.914 million tonnes previous month. USDA has also lowered the China cotton consumption to 7.620 million tonnes this month which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



International Prices and Indices

China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	27-Mar-15	20-Mar-15	
CC Index(229)	14145	14190	-0.32
CC Index(328)	13462	13470	-0.06
CC Index(527)	12417	12430	-0.10
			Prices in Yuan per Ton

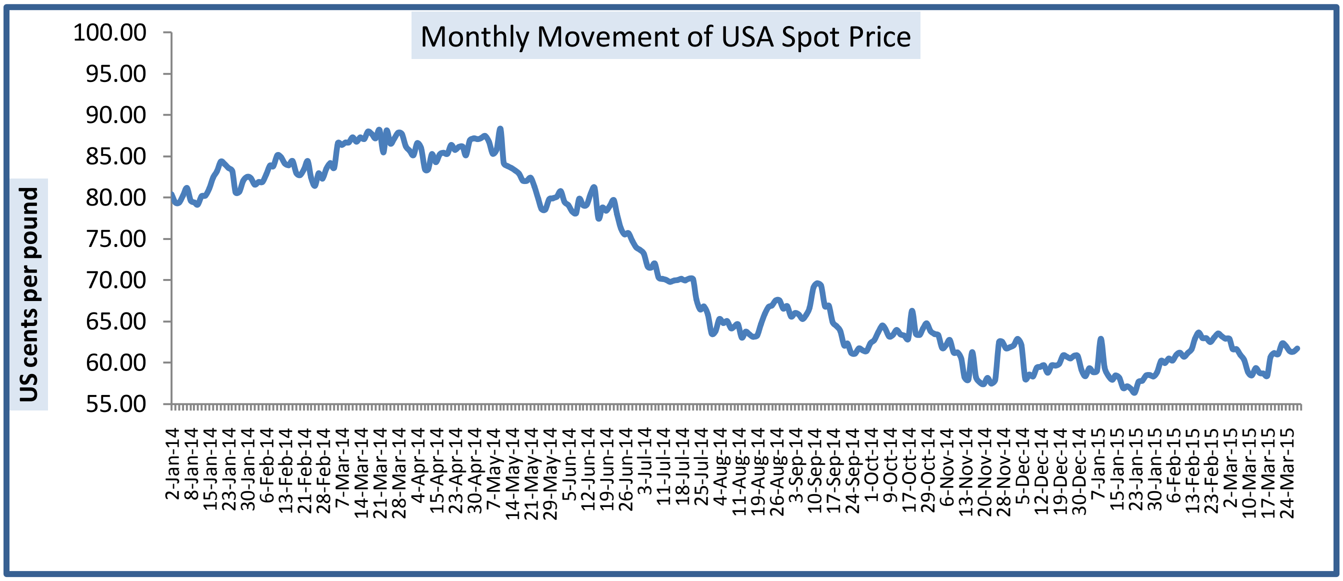


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	27-Mar-15	20-Mar-15	
Prices	70.13	68.2	2.83
			Prices in US cents per Pound

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	27-Mar-15	20-Mar-15	
Prices	61.75	59.99	2.93
			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	27-Mar-2015	Week Ago	Year Ago	%W-o-W change	%Y-o-Y change
Mar-15	63.55	62.82	79.53	1.16	-20.09
May-15	63.87	63.40	--	0.74	--
Jul-15	64.39	63.78	--	0.96	--
Oct-15	64.68	64.06	--	0.97	--
Dec-15	64.67	63.99	--	1.06	--
Mar-15	64.59	64.26	--	0.51	--
Figures in US cents per pound					

AGRIWATCH

Cotton-Weekly-Research-Report
30th March, 2015

Cotton Futures

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

Weekly Technical Outlook:

- Candlesticks denote uptrend movement in the prices.
- RSI is moving high in neutral region.
- Prices are hovering above the 9 and 18 days EMA.
- MACD is depicting bullish centerline and signal line movement.
- We expect cotton prices to remain firm.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Bullish Momentum	785-845

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
775	750	860	875
Figures in Rs. per 20Kgs.			

AGRIWATCH

Cotton-Weekly-Research-Report

30th March, 2015

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

Weekly Technical Outlook:

- Candlesticks denote range bound movement in the prices.
- Steady prices and decreasing V&OI denote weakness.
- We expect cotton prices to remain range bound.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound Momentum	61.60-65.60

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.00	60.00	66.40	67.20
Figures in US cents per pound			