

Current Market Outlook

Cotton spot prices noticed uptrend this week compared to the previous week. Average price of Kapas at Rajkot during the week was Rs. 4625 per quintal, which stood Rs 4350 previous week.

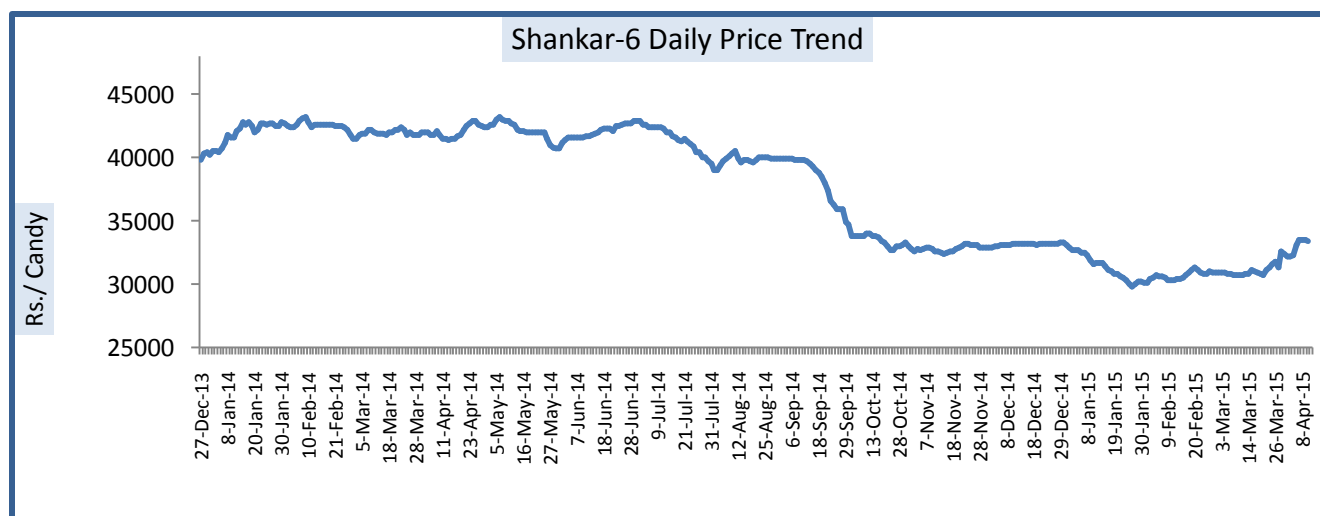
Cotton Textile Export Promotion Council (Texprocil) has urged government to instruct CCI to releases cotton stocks. Texprocil said CCI should release at least 50,000 bales per day for period of 100 days to check the cotton shortage. Cotton textile industry is facing the shortage of cotton supply as the major portion of quality cotton is held back by CCI. Till date CCI has only released 3 lakh bales of cotton out of 86 lakh bales, which it procured during the season. This situation has led the supply shortage to textile mills and steep rise in cotton prices.

According to the USDA's latest WASDE report India is likely to export 849 thousand tones of cotton this season around 7% lower than the estimates of previous month and around 57.87% lower when compared to the actual exports of previous season.

India exported 0.81 lakh bales of cotton last week (30 Mar-05 Apr 2015), which was 1.53 lakh bales previous to last week (22-29 Mar 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.19 lakh bales last week, which was 0.24 lakh bales previous to last week.

India exported around 7.35 lakh bales of cotton during March'15 around 10.03% higher when compared to the exports during previous month. Imports on other remained higher this month by 4.2% at 0.74 lakh bales which was 0.71 lakh bales in February. 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.

Gujarat has contributed 108 lakh bales of cotton in the country's total production estimates of 390 lakh bales during the season 2014-15 against 370 lakh bales in 2013-14, said CCI. Maharashtra would stand around at 83 lakh bales, Telangana at 57 lakh bales, Karnataka at 30 lakh bales, Andhra Pradesh at 27 lakh bales, Haryana at 25 lakh bales, Rajasthan at 17 lakh bales, Punjab at 14 lakh bales, Tamil Nadu at 5 lakh bales Orissa at 4 lakh bales and others collectively at 2 lakh bales.



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.

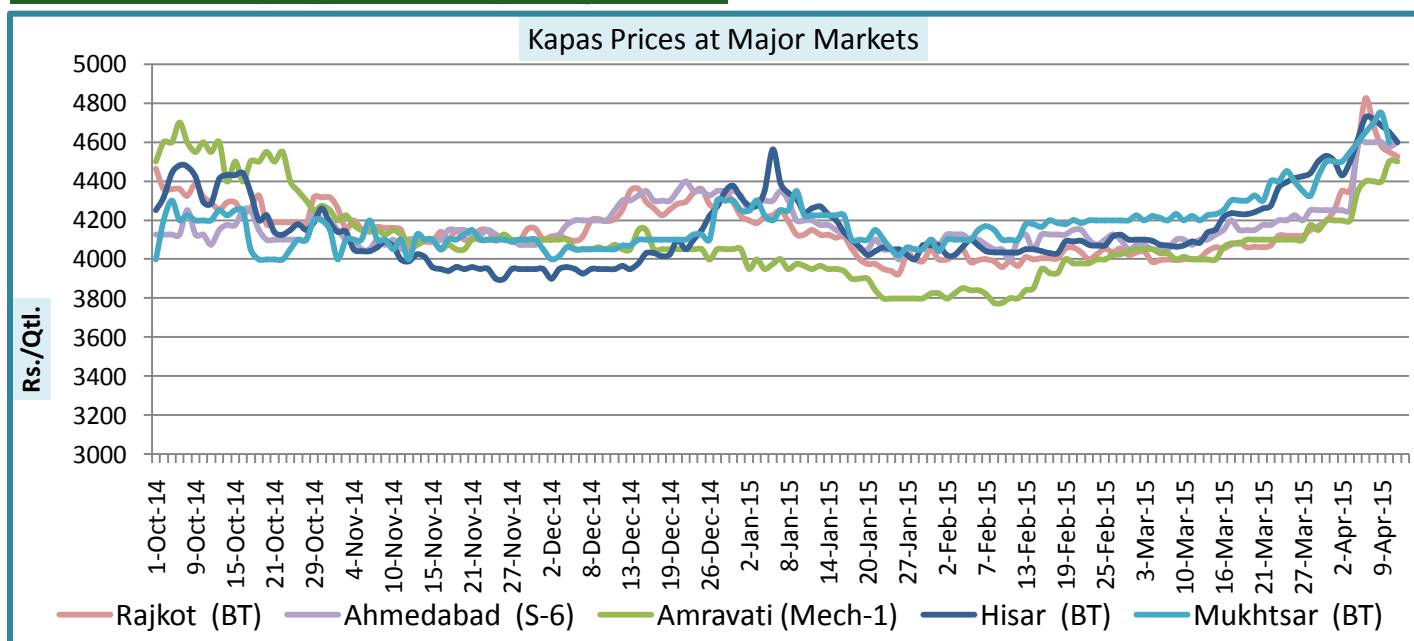
Domestic Cotton Prices

Cotton Prices at Key Spot Centers:

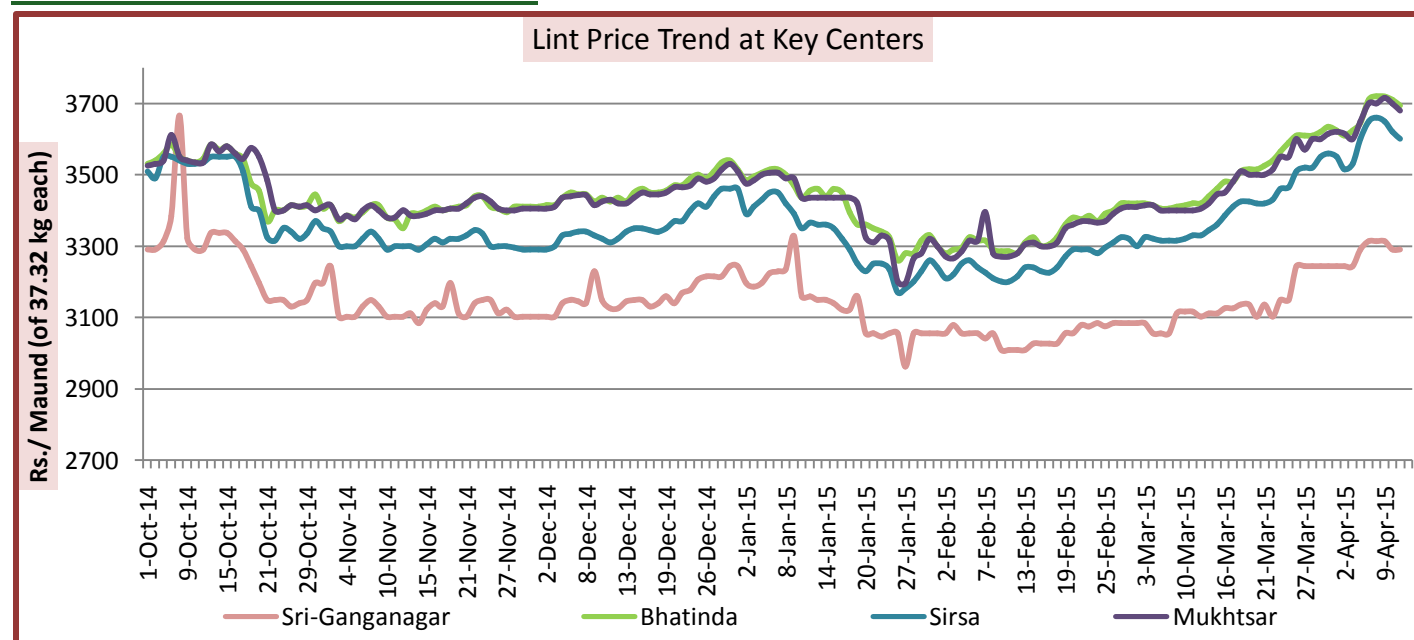
| Centre | Variety | Weekly Average Prices | | Change |
|------------------------|-----------------|-----------------------|-------------------|--------|
| | | As on 10 Apr 2015 | As on 03 Apr 2015 | |
| | Kapas | (Rs./Qtl) | | |
| Amravati | Mech-1 | 4410 | 4185 | 225 |
| Khandwa | Mech-1 | NA | NA | - |
| Khargaon | Mech-1 | NA | NA | - |
| | Kapas | | | |
| Mahesana(Kadi) | B.T. Cotton | 4665 | 4410 | 255 |
| Rajkot | B.T. Cotton | 4640 | 4350 | 290 |
| Patan | B.T. Cotton | 4735 | 4410 | 325 |
| Deesa | B.T. Cotton | NA | NA | - |
| Dhrol | B.T. Cotton | 4630 | NA | - |
| Muktsar | B.T. Cotton | 4725 | 4400 | 325 |
| Fazilika | B.T. Cotton | NA | 4330 | - |
| Bhiwani | B.T. Cotton | 4695 | 4620 | 75 |
| Adampur | B.T. Cotton | 4650 | 4480 | 170 |
| Fatehabad | B.T. Cotton | 4650 | 4520 | 130 |
| Dabwali | B.T. Cotton | 4550 | 4380 | 170 |
| Jind | B.T. Cotton | NA | NA | - |
| Uchana (Jind) | B.T. Cotton | 4560 | 4530 | 30 |
| Rawatsar (Hanumangarh) | B.T. Cotton | 4635 | 4455 | 180 |
| Hubli | B.T. Cotton | 4315 | 4240 | 75 |
| Hathras | B.T. Cotton(US) | NA | NA | - |
| Hanumangarh | B.T. Cotton | 4700 | 4490 | 210 |
| | Kapas | | | |
| Ahmedabad | Shankar-6 | 4595 | 4250 | 345 |
| Gondal | Shankar-6 | 4605 | 4305 | 300 |
| | Kapas | | | |
| Jamner (Jalgaon) | Medium Staple | NA | 3850 | - |
| Hathras | Desi | NA | NA | - |
| Bijapur | Bunny | NA | NA | - |
| Hubli | D.C.H. | NA | NA | - |
| Raichur | H-44 Cotton | 4390 | 4115 | 275 |
| Guntur | Un-Ginned | NA | NA | - |
| Kurnool | Un-Ginned | 4040 | 4050 | -10 |
| Krishna | Un-Ginned | 4050 | 4050 | Unch |
| East Godavari | Un-Ginned | 4040 | 4050 | -10 |
| | Lint | | | |
| Abohar | J-34 | 3685 | 3620 | 65 |
| Muktsar | J-34 | 3680 | 3610 | 70 |

| | | | | |
|----------------|------|------|------|------|
| Fazilika | J-34 | 3650 | 3595 | 55 |
| Bhatinda | J-34 | 3690 | 3620 | 70 |
| Mansa | J-34 | 3620 | 3610 | 10 |
| Sirsa | J-34 | 3290 | 3540 | -250 |
| Sri-Ganganagar | J-34 | 3245 | 3245 | Unch |

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

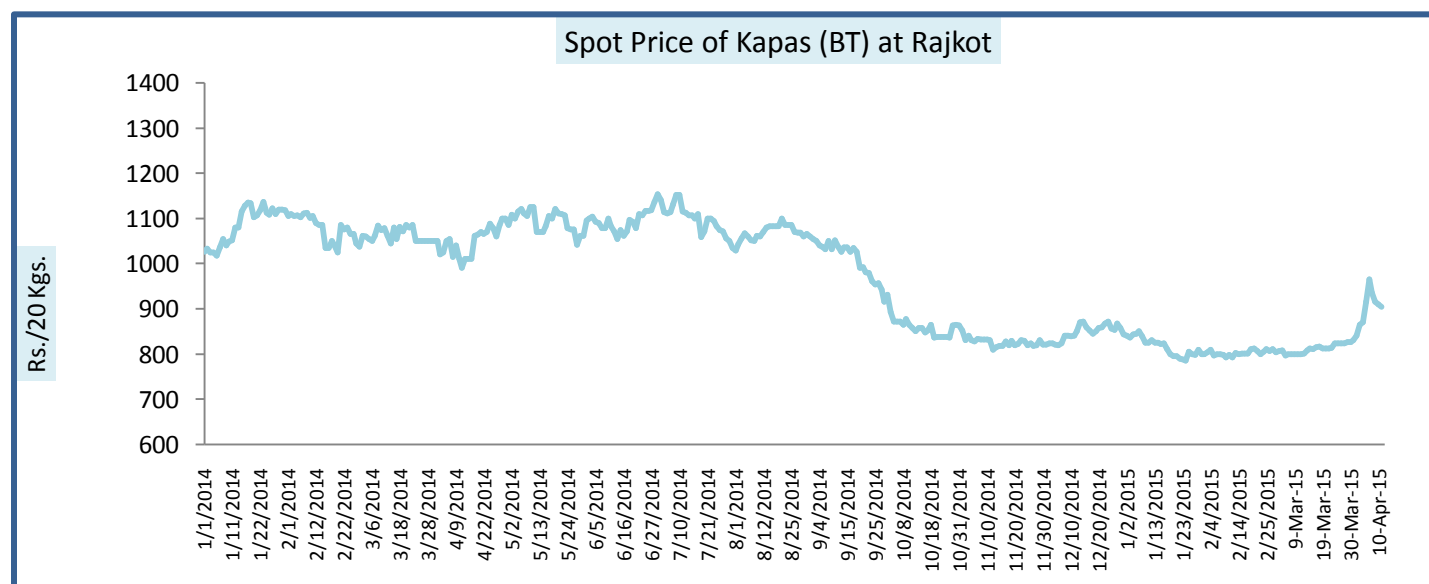
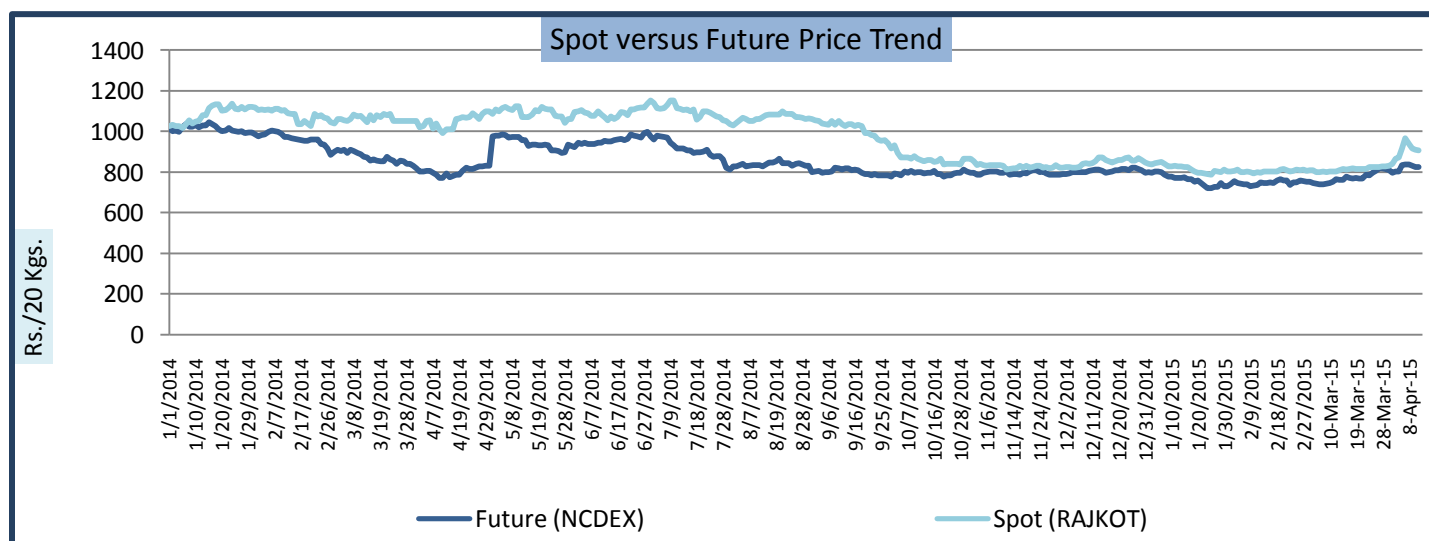


Price Trend of Lint at Various Centers



Cotton Association of India Spot Rates:

| Trade Name | Staple | Micronaire | Strength / GPT | Weekly Average Price (Rs. Per Candy) | | Change |
|---------------------------------------|--------|------------|----------------|--------------------------------------|-------------------|--------|
| | | | | As on 09 Apr 2015 | As on 03 Apr 2015 | |
| Bengal Deshi (RG)/Assam Comilla (101) | < 22mm | 5.0 - 7.0 | 15 | 33717 | 33025 | 692 |
| Bengal Deshi (SG)(201) | < 22mm | 5.0 - 7.0 | 15 | 34217 | 33525 | 692 |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 33667 | 32975 | 692 |
| H-4/ MECH-1(105) | 28mm | 3.5 – 4.9 | 27 | 32483 | 31650 | 833 |
| Shankar-6(105) | 29mm | 3.5 – 4.9 | 28 | 33017 | 32125 | 892 |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 35617 | 34800 | 817 |
| MCU-5/ Surabhi(106) | 32mm | 3.3 - 4.9 | 31 | 36433 | 35800 | 633 |
| DCH-32(107) | 34mm | 3.0 - 3.8 | 33 | 43300 | 42375 | 925 |

Price Movement at Spot and Future Market:


Cotton Arrivals at Key Centers:

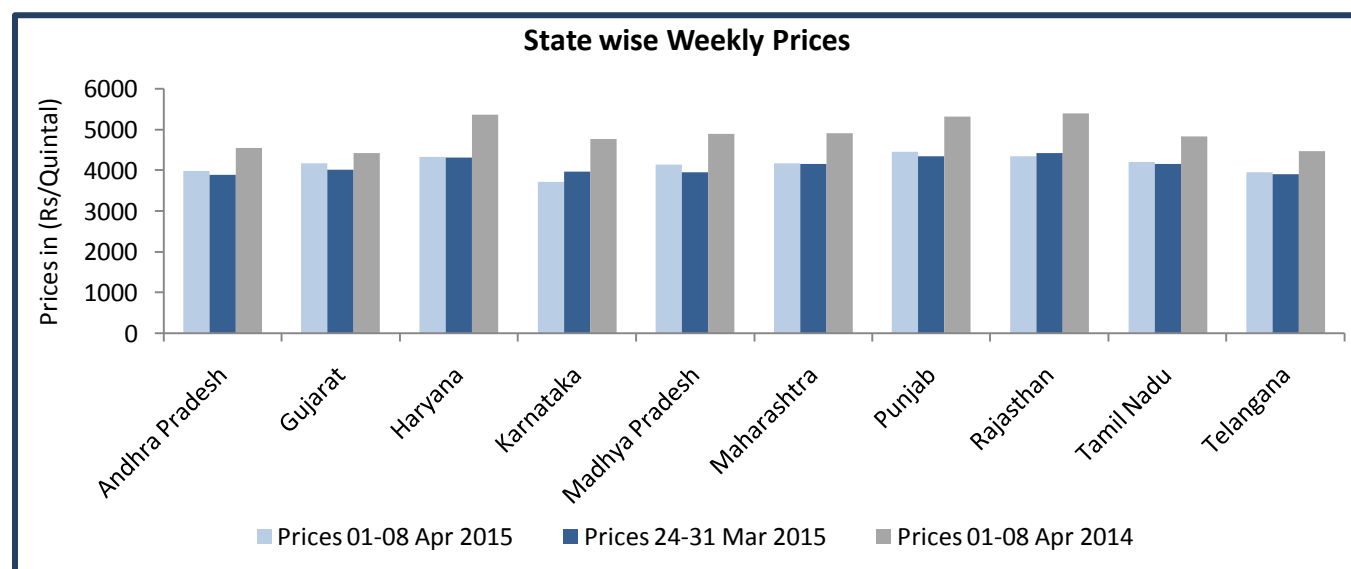
| Centre | Variety | Weekly Sum Arrivals (Qtl) | | Change |
|------------------------|-----------------|---------------------------|-------------------|--------|
| | | As on 10 Apr 2015 | As on 03 Apr 2015 | |
| Amravati | Mech-1 | 40700 | 23700 | 17000 |
| Khandwa | Mech-1 | NA | NA | - |
| Khargaone | Mech-1 | NA | NA | - |
| | | | | |
| Mahesana(Kadi) | B.T. Cotton | 10000 | 60000 | -50000 |
| Rajkot | B.T. Cotton | 15275 | 1400 | 13875 |
| Patan | B.T. Cotton | 15512 | 971 | 14541 |
| Deesa | B.T. Cotton | NA | NA | - |
| Fazilika | B.T. Cotton | 480 | NA | - |
| Dhrol | B.T. Cotton | NA | 380 | - |
| Muktsar | B.T. Cotton | NA | 340 | - |
| Bhiwani | B.T. Cotton | 3000 | 4150 | -1150 |
| Adampur | B.T. Cotton | 2380 | 2423 | -42.5 |
| Fatehabad | B.T. Cotton | 1100 | 1175 | -75 |
| Dabwali | B.T. Cotton | 785 | 2685 | -1900 |
| Jind | B.T. Cotton | NA | NA | - |
| Uchana (Jind) | B.T. Cotton | 1600 | 1925 | -325 |
| Rawatsar (Hanumangarh) | B.T. Cotton | 385 | 200 | 185 |
| Hubli | B.T. Cotton | 230 | 250 | -20 |
| Hathras | B.T. Cotton(US) | NA | NA | - |
| Hanumangarh | B.T. Cotton | NA | 170 | - |
| | | | | |
| Ahmedabad | Shankar-6 | 190400 | 59500 | 130900 |
| Gondal | Shankar-6 | 3887 | 319 | 3568 |
| | | | | |
| Jamner (Jalgaon) | Medium Staple | NA | 160 | - |
| Hathras | Desi | NA | NA | - |
| Bijapur | Bunny | NA | NA | - |
| Hubli | D.C.H. | NA | NA | - |
| Raichur | H-44 Cotton | 12988 | 8826 | 4162 |
| Guntur | Un-Ginned | NA | NA | - |
| Kurnool | Un-Ginned | 0.4 | 0.2 | 0.2 |
| Krishna | Un-Ginned | 0.2 | NA | - |
| East Godavari | Un-Ginned | NA | NA | - |
| | | | | |
| Abohar | J-34 | 884 | 1012 | -128 |
| Bhatinda | J-34 | 23800 | 34850 | -11050 |
| Mansa | J-34 | 3060 | 510 | 2550 |
| Sirsa | J-34 | NA | 2210 | - |
| Sri-Ganganagar | J-34 | NA | NA | - |

State wise Scenario

State wise Weekly Prices (Rs./Qtl.)

| State | Prices 01-08 Apr 2015 | Prices 24-31 Mar 2015 | Prices 01-08 Apr 2014 | % Change(Over Previous Week) | % Change(Over Previous Year) |
|----------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| Andhra Pradesh | 3981.8 | 3888.24 | 4550.79 | 2.41 | -12.5 |
| Gujarat | 4166.3 | 4008.52 | 4418.94 | 3.94 | -5.72 |
| Haryana | 4321.71 | 4312.98 | 5358.92 | 0.2 | -19.35 |
| Karnataka | 3718.69 | 3963.55 | 4759.19 | -6.18 | -21.86 |
| Madhya Pradesh | 4129.49 | 3941.34 | 4886.1 | 4.77 | -15.48 |
| Maharashtra | 4162.78 | 4145.91 | 4907.61 | 0.41 | -15.18 |
| Punjab | 4443.33 | 4345.43 | 5310.08 | 2.25 | -16.32 |
| Rajasthan | 4340.93 | 4415.41 | 5382.55 | -1.69 | -19.35 |
| Tamil Nadu | 4196.51 | 4149.32 | 4826.64 | 1.14 | -13.06 |
| Telangana | 3942.14 | 3894.06 | 4464.13 | 1.23 | -11.69 |
| Average | 4140.37 | 4081.09 | 4642.43 | | |

Source:Agmarknet

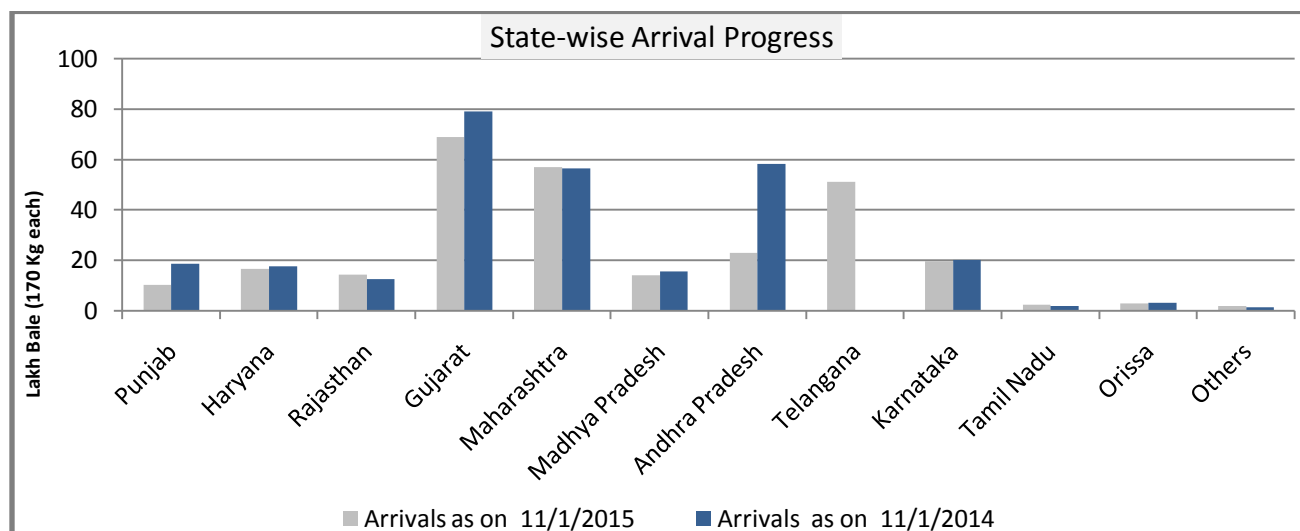


State wise Arrivals (in lakh bales of 170 kgs each):

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)

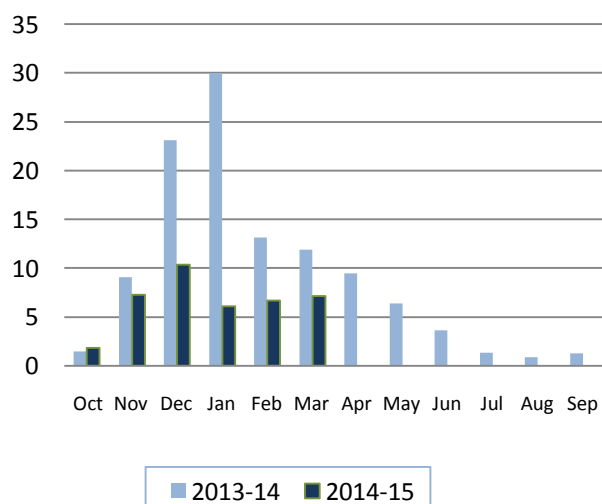


Cotton Export and Import

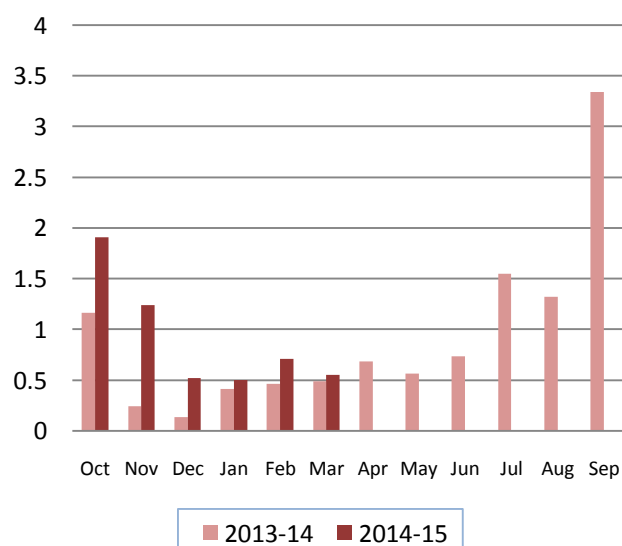
| Cotton Exports(In Lakh Bales) | | |
|-------------------------------|--------------|-------------|
| Month | 2013-14 | 2014-15 |
| Oct | 1.43 | 1.81 |
| Nov | 9.06 | 7.3 |
| Dec | 23.12 | 10.34 |
| Jan | 30 | 6.11 |
| Feb | 13.15 | 6.68 |
| Mar | 11.9 | 7.1* |
| Apr | 9.46 | |
| May | 6.37 | |
| Jun | 3.62 | |
| Jul | 1.32 | |
| Aug | 0.87 | |
| Sep | 1.24 | |
| Total | 111.5 | 39.4 |

| 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 | 0.55* |
| Apr | 0.68 | |
| May | 0.56 | |
| Jun | 0.73 | |
| Jul | 1.55 | |
| Aug | 1.32 | |
| Sep | 3.34 | |
| Total | 11.07 | 5.43 |

Month Wise Exports (In lakh Bales)



Month Wise Imports (In Lakh Bales)



Weekly Export Import Data

| Date | 29 Mar-05 Apr 2015 | 23-29 Mar 2015 |
|------------------------|--------------------|----------------|
| Export (In lakh Bales) | 0.81 | 1.53 |
| Import (In lakh Bales) | 0.19 | 0.24 |

Source: IBIS

International Market Scenario

International cotton prices remained firm this week following the downward revision in world production and upward revision in China cotton imports by USDA. Cotlook A Index stood as weekly average stood 72.83 cents/pound this week compared to 69.82 cents/pound previous week.

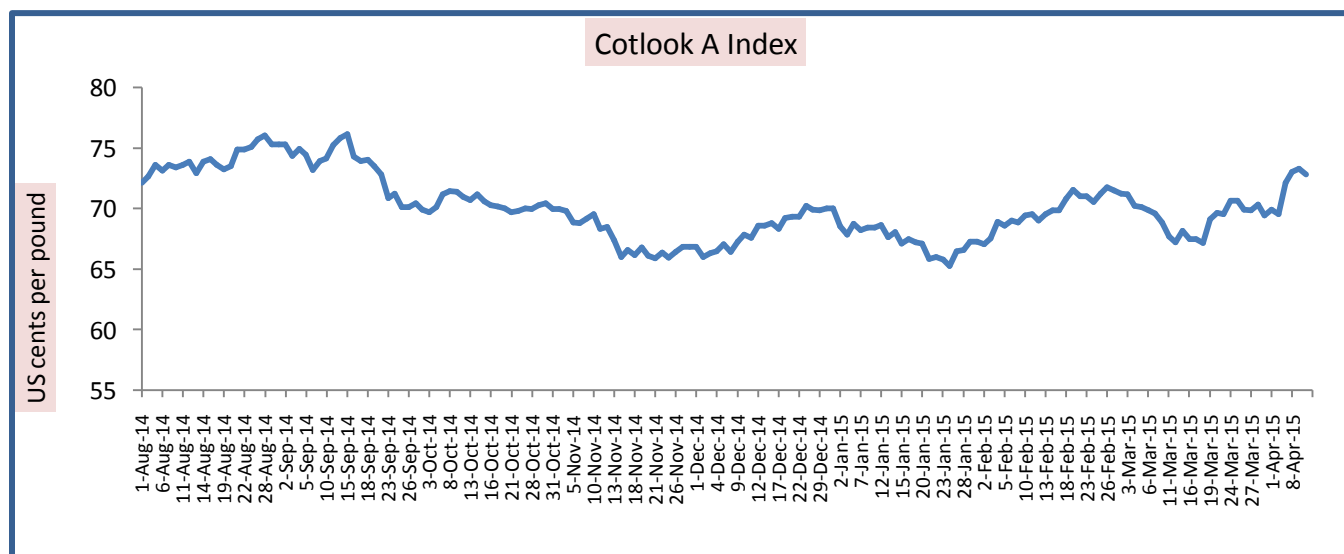
World cotton production is estimated slightly lower this month by USDA at 25.95 million tonnes for season 2014-15 which was estimated 25.95 million tones a month ago. Cotton production on global front was 26.221 million tones during season 2013-14, slightly higher than current season.

According to USDA, world cotton exports would be around 7.459 million tones in the current season, slightly lower than the estimate of March month which was 7.495 million tones. Export during the current season would be around 16% lower when compared to exports of previous season which was 8.871 million tones.

USDA has downwardly revised the imports estimates in April to 7.457 million tons from 7.490 million tons in March. Surprisingly the cause of fall in estimates is not China this time. The estimate for China imports has been increased by USDA this month. China is likely to import 1.63 million tons of cotton in the current season which was estimated 1.589 million tones previous month. The actual import by China during the previous season was 3.075 million tones.

According to USDA, cotton planting intention in USA is on weaker side this year. Cotton planted area for 2015 is estimated at 9.55 million acres, 13 percent below last year. Upland area is estimated at 9.40 million acres, down 13 percent from 2014. American Pima area is estimated at 150,000 acres, down 22 percent from 2014, said USDA.

Around 2% of cotton planting has been completed in USA as on April 05 this year, which was 6% last year on same date, according to USDA. The current sowing pace is also lower than the five year average (i.e. 2010 to 2014) which was 6 percent.



International Prices and Indices

China Cotton Index:

| CC Indices | Weekly Average Price as on | | % Change |
|------------------------|----------------------------|-----------|----------|
| | 10-Apr-15 | 03-Apr-15 | |
| CC Index(229) | 14142 | 14148 | -0.04 |
| CC Index(328) | 13455 | 13469 | -0.11 |
| CC Index(527) | 12402 | 12410 | -0.07 |
| Prices in Yuan per Ton | | | |

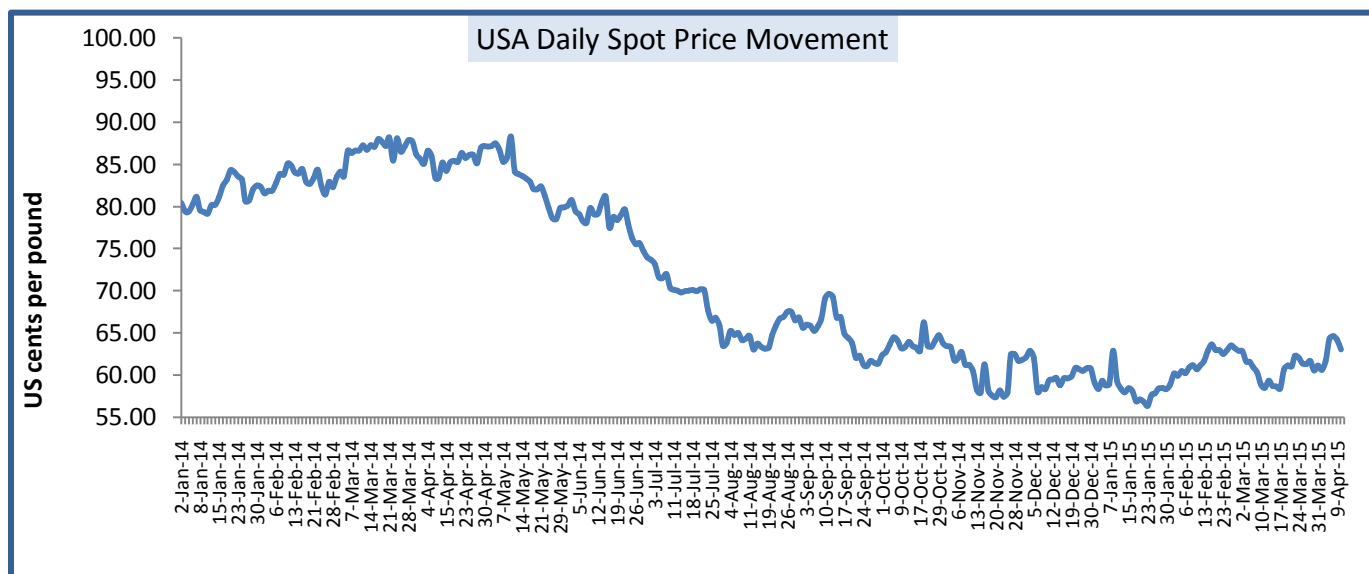


Cotlook A Index:

| Cotlook A Index | Weekly Average Price as on | | % Change |
|------------------------------|----------------------------|-----------|----------|
| | 10-Apr-15 | 03-Apr-15 | |
| Prices | 72.83 | 69.82 | 4.31 |
| Prices in US cents per Pound | | | |

USA Spot Prices:

| USA Spot Prices | Weekly Average Price as on | | % Change |
|------------------------------|----------------------------|-----------|----------|
| | 10-Apr-15 | 03-Apr-15 | |
| Prices | 64.06 | 61.01 | 5.00 |
| 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 | 69.35 | -28.46 |
| April | 94.2 | | |
| May | 92.7 | | |
| June | 90.89 | | |
| July | 83.83 | | |

Cotton Futures (ICE):

| Contracts | 10-Apr-2015 | Week Ago | Year Ago | %W-o-W change | %Y-o-Y change |
|---------------|-------------|----------|----------|---------------|---------------|
| Mar-15 | 65.06 | 63.69 | 80.81 | 2.15 | -19.49 |
| May-15 | 65.40 | 63.80 | | 2.51 | -- |
| Jul-15 | 65.60 | 64.25 | | 2.10 | -- |
| Oct-15 | 65.61 | 64.54 | | 1.66 | -- |
| Dec-15 | 65.13 | 64.73 | | 0.62 | -- |
| Mar-15 | 65.44 | 65.18 | | 0.40 | -- |

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 low in neutral region.
- Prices are hovering above the 9 and 18 days EMA.
- Declining MACD histogram depicts weakness.
- We expect cotton prices to remain Range bound with weak biasness.

Expected Price Range During Coming Week.

| Expected Trend | Expected Trading Band |
|---------------------------------|-----------------------|
| Range Bound to Bearish Momentum | 790-855 |

Expected Support and Resistance

| Support 1 | Support 2 | Resistance 1 | Resistance 2 |
|-----------|-----------|--------------|--------------|
| 785 | 775 | 860 | 875 |

Figures in Rs. per 20Kgs.

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

Weekly Technical Outlook:

- Candlesticks denote bullish movement during the week.
- Rising prices and increasing total V&OI depicts strong signals.
- We expect cotton prices to remain firm.

Expected Price Range During Coming Week

| Expected Trend | Expected Trading Band |
|-------------------------|-----------------------|
| Bullish Momentum | 63.80-68.40 |

Expected Support and Resistance

| Support 1 | Support 2 | Resistance 1 | Resistance 2 |
|--------------|--------------|--------------|--------------|
| 63.00 | 62.40 | 69.60 | 70.00 |

Figures in US cents per pound

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