Current Market Outlook

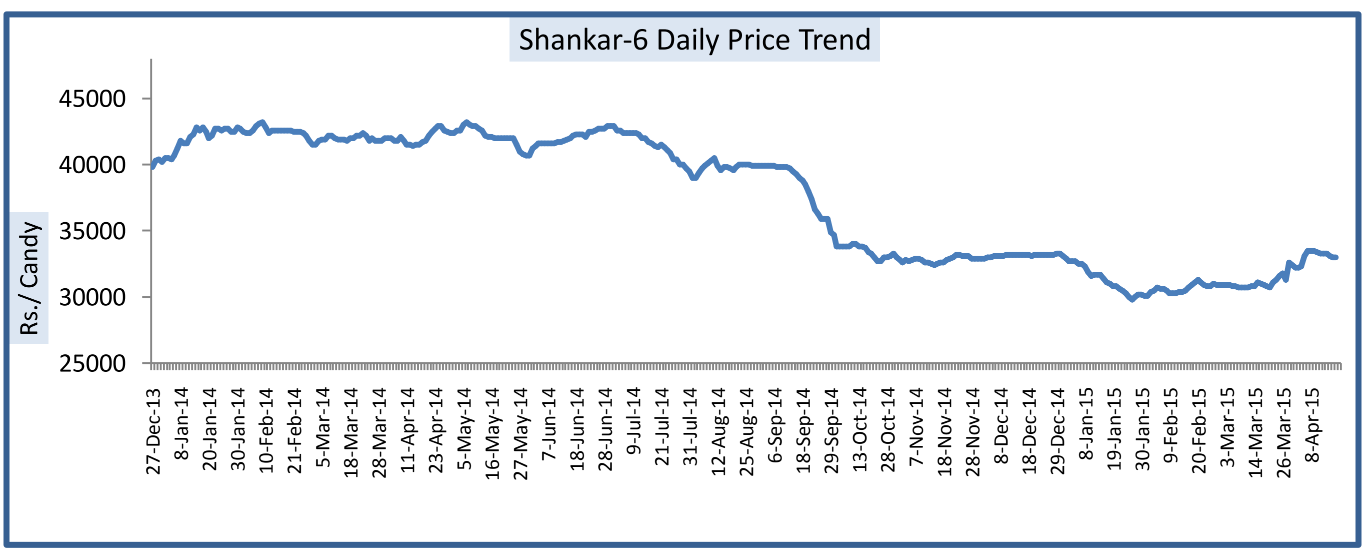
Cotton spot prices remained dull this week compared to the previous week. Average price of Kapas at Rajkot during the week was Rs. 4515per quintal, which stood Rs 4640 previous week.

According to the latest updates by ICAC, cotton production in India during the season 2015/16 would be around 6.45 million tons (379 lakh bales approx.) around 4.44% lower when compared to the production of the current year which would stand around 6.75 million tones (397 lakh bales approx.)

Around 310 lakh bales of cotton have been pressed so far in the current season, according to Indian Cotton Federation (ICF). CCI has procured around 8.6 million bales of cotton in the ongoing season and off take of cotton from CCI warehouses is noticing a good trend in last few days as mills has actively started buying cotton from CCI. As far as cotton production is concerned, ICF sees current season production at 38.9 million bales and CAB estimates the same at 39 million bales.

India exported 1.209 lakh bales of cotton last week (06-12 April 2015), which was 0.81 lakh bales previous to last week (30 Mar-05 Apr 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.189 lakh bales last week, which was 0.19 lakh bales previous to last week.

There is no scarcity of cotton in the domestic market, said CCI in the response of demand proposed by the textile industry to immediate release of the stocks procured by CCI. Textile bodies like Texprocil and CITI believes that there has been a supply deficit created due to the record procurement by CCI this season which has lead the fiber price to shoot up and the scarcity of the quality cotton in the market. Whereas CCI believe that due to the bumper production and lesser export availability is still higher, despite the record procurement and there is no supply deficit as such. CCI said it has started selling of the fiber and releases 40,000-50,000 bales a day.



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.

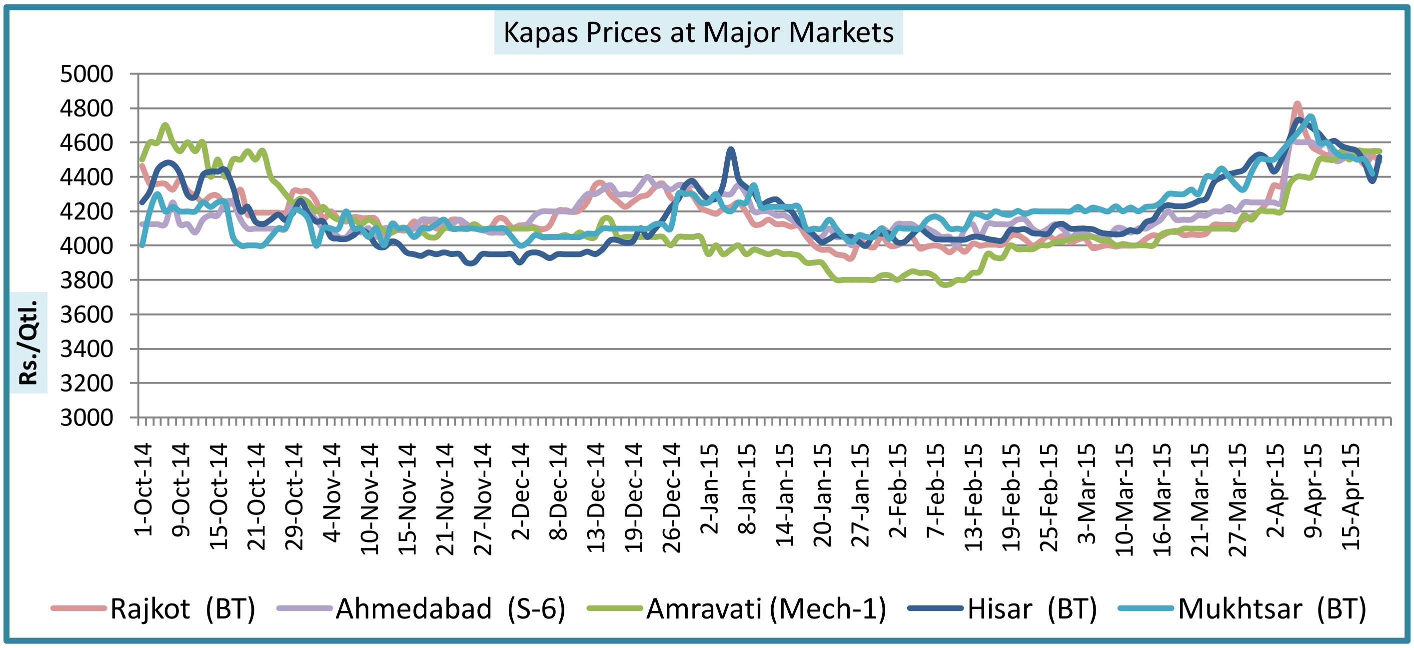
Domestic Cotton Prices

Cotton Prices at Key Spot Centers:

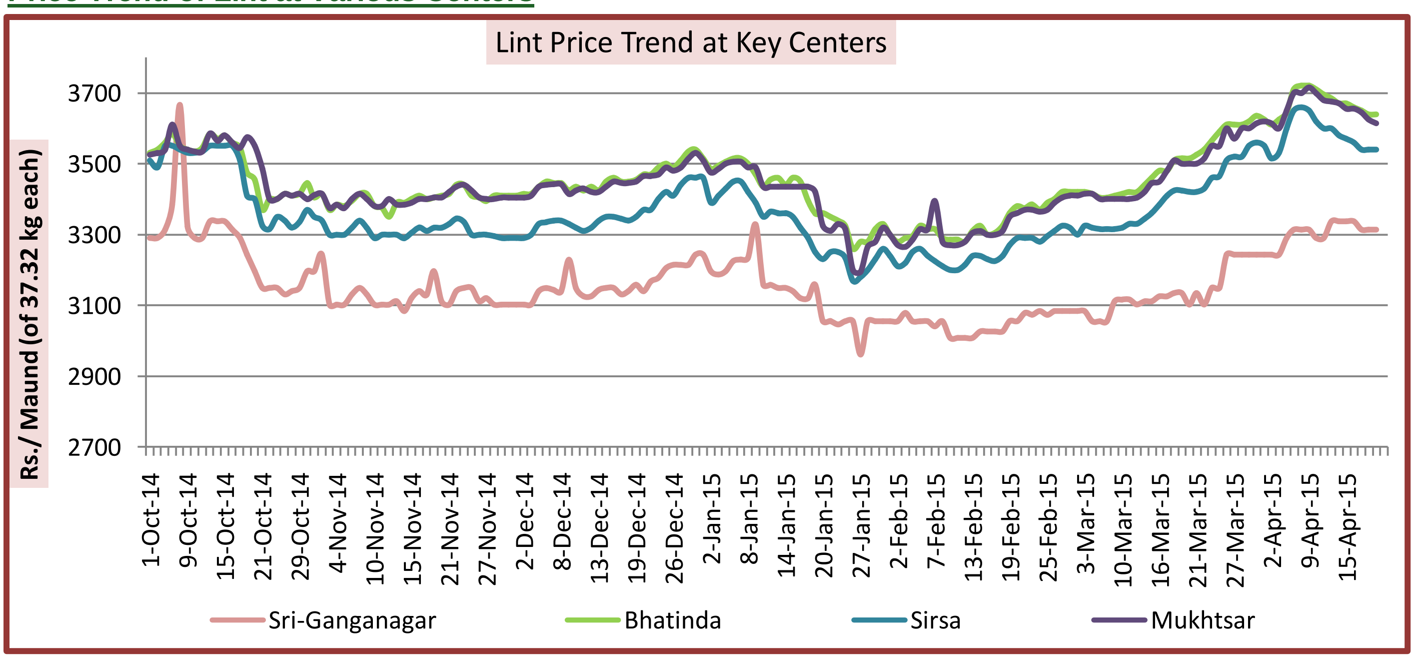
Centre	Variety	Weekly Average Prices		Change
		As on 17 Apr 2015	As on 10 Apr 2015	
	Kapas	**(Rs./Qtl)**		
Amravati	Mech-1	4525	4410	115
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	4663	-
Rajkot	B.T. Cotton	4515	4640	-125
Patan	B.T. Cotton	4565	4735	-170
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4535	4630	-95
Muktsar	B.T. Cotton	4550	4725	-175
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4635	4695	-60
Adampur	B.T. Cotton	4565	4648	-83
Fatehabad	B.T. Cotton	4555	4650	-95
Dabwali	B.T. Cotton	4560	4550	10
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4520	4560	-40
Rawatsar	B.T. Cotton	4560	4635	-75
Hubli	B.T. Cotton	4470	4315	155
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	4700	-
	Kapas			
Ahmedabad	Shankar-6	4540	4595	-55
Gondal	Shankar-6	4530	4605	-75
	Kapas			
Jamner (Jalgaon)	Medium Staple	3850	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4575	4390	185
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4025	4040	-15
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4050	4040	10
	Lint	**Rs./Maund (of 37.32 kgs. Each)**		
Abohar	J-34	3665	3685	-20

Muktsar	J-34	3665	3680	-15
Fazilika	J-34	NA	3650	-
Bhatinda	J-34	3670	3690	-20
Sirsa	J-34	3575	3290	285
Sri-Ganganagar	J-34	3325	3245	80

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



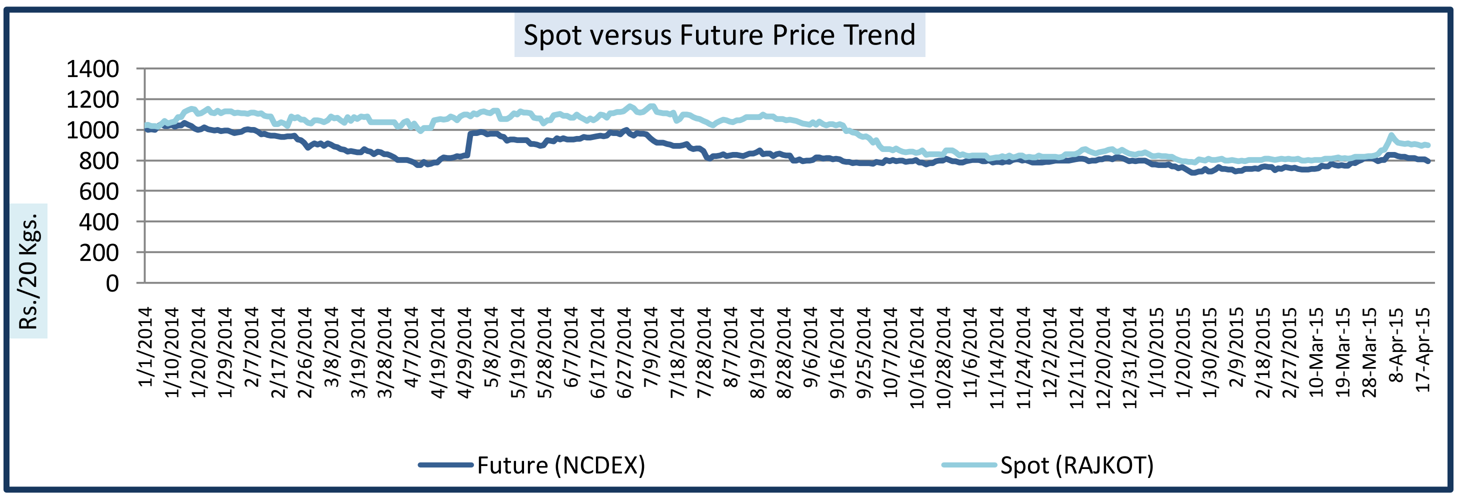
Price Trend of Lint at Various Centers

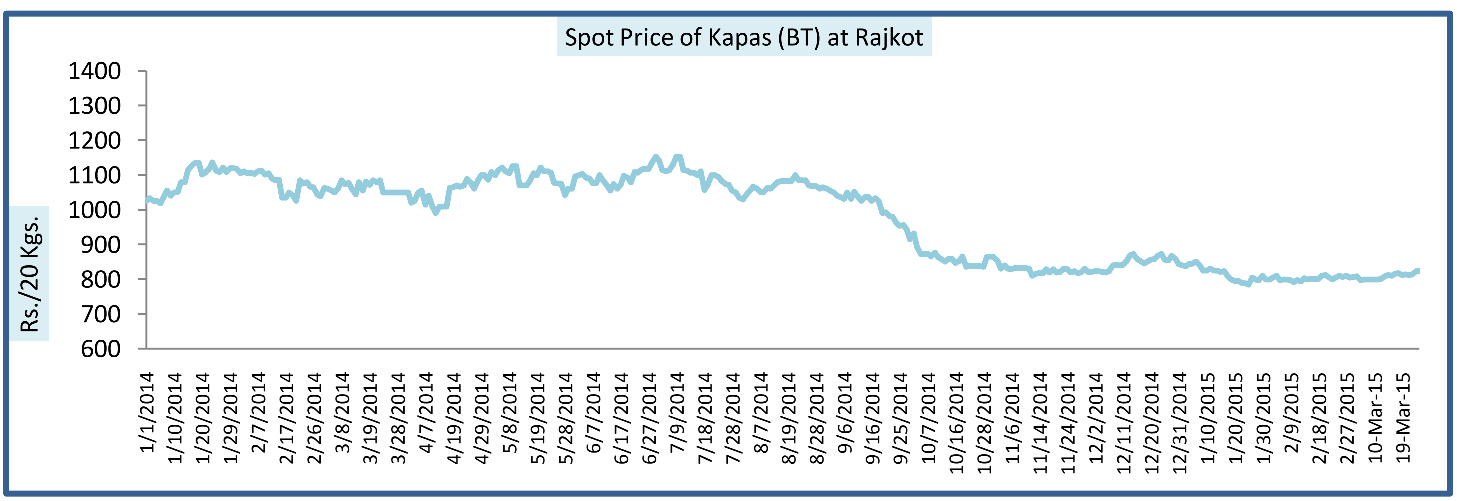


Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength / GPT	Weekly Average Price (Rs. Per Candy)		Change
				As on 16 Apr 2015	As on 09 Apr 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	33240	33715	-475
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	33740	34215	-475
J-34(202)	26mm	3.5 - 4.9	23	33540	33665	-125
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	32900	32485	415
Shankar-6(105)	29mm	3.5 – 4.9	28	33280	33015	265
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35880	35615	265
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36580	36435	145
DCH-32(107)	34mm	3.0 - 3.8	33	43980	43300	680

Price Movement at Spot and Future Market:





Cotton Arrivals at Key Centers:

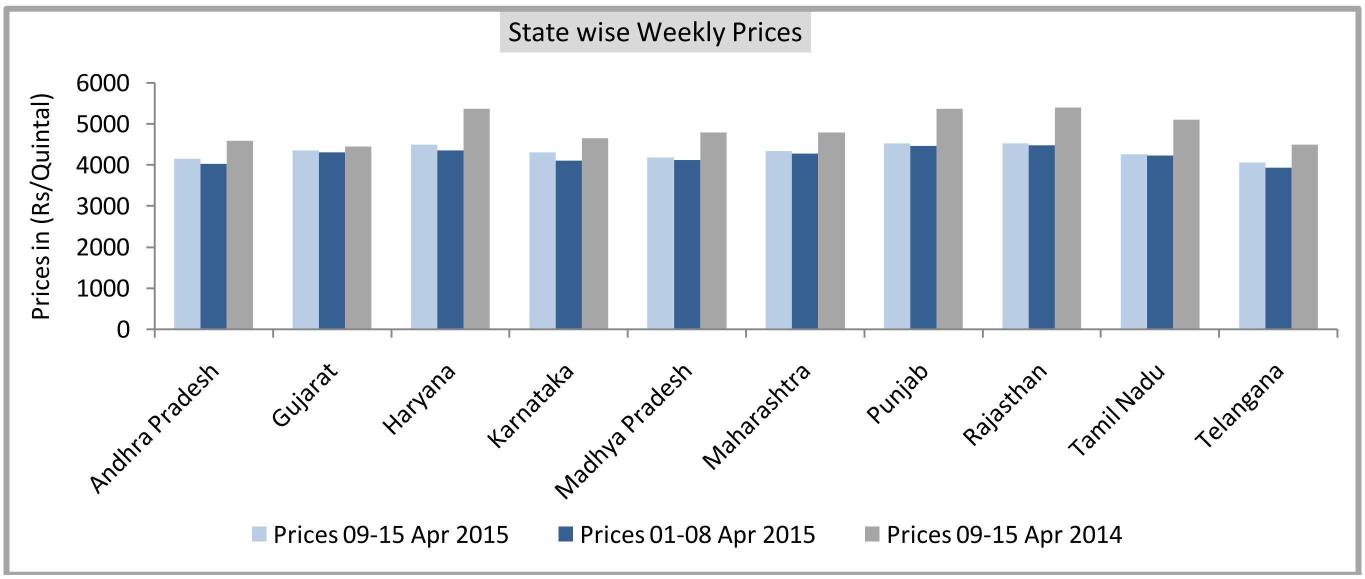
Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		As on 17th Apr 2015	As on 10th Apr 2015	
Amravati	Mech-1	8700	40700	-32000
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	10000	-
Rajkot	B.T. Cotton	14150	15275	-1125
Patan	B.T. Cotton	15454	15512	-58
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	273	480	-207
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	1700	3000	-1300
Adampur	B.T. Cotton	2040	2380	-340
Fatehabad	B.T. Cotton	1575	1100	475
Dabwali	B.T. Cotton	280	785	-505
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	1030	1600	-570
Rawatsar (Hanumangarh)	B.T. Cotton	280	385	-105
Hubli	B.T. Cotton	60	230	-170
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	170000	190400	-20400
Gondal	Shankar-6	3939	3887	52
Jamner (Jalgaon)	Medium Staple	23	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4236	12988	-8752
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	0.1	0.4	-0.3
Krishna	Un-Ginned	NA	0.2	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	952	884	68
Bhatinda	J-34	8500	23800	-15300
Sirsa	J-34	2550	NA	-
Sri-Ganganagar	J-34	NA	NA	-

State wise Scenario

State wise Weekly Prices (Rs./Qtl.)

State	Prices 09-15 Apr 2015	Prices 01-08 Apr 2015	Prices 09-15 Apr 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4148.73	4027.55	4583.57	3.01	-9.49
Gujarat	4351.61	4297.27	4447.67	1.26	-2.16
Haryana	4496.03	4347.77	5355.46	3.41	-16.05
Karnataka	4307.55	4093.27	4643.6	5.23	-7.24
Madhya Pradesh	4177.29	4114.67	4788.24	1.52	-12.76
Maharashtra	4338.3	4275.75	4779.58	1.46	-9.23
Punjab	4515.73	4460.06	5358.95	1.25	-15.73
Rajasthan	4519.9	4476.83	5399.13	0.96	-16.28
Tamil Nadu	4261.8	4226.23	5102.99	0.84	-16.48
Telangana	4048.07	3927.4	4486.32	3.07	-9.77
Average	4316.5	4192.54	4819.38		

Source:Agmarknet



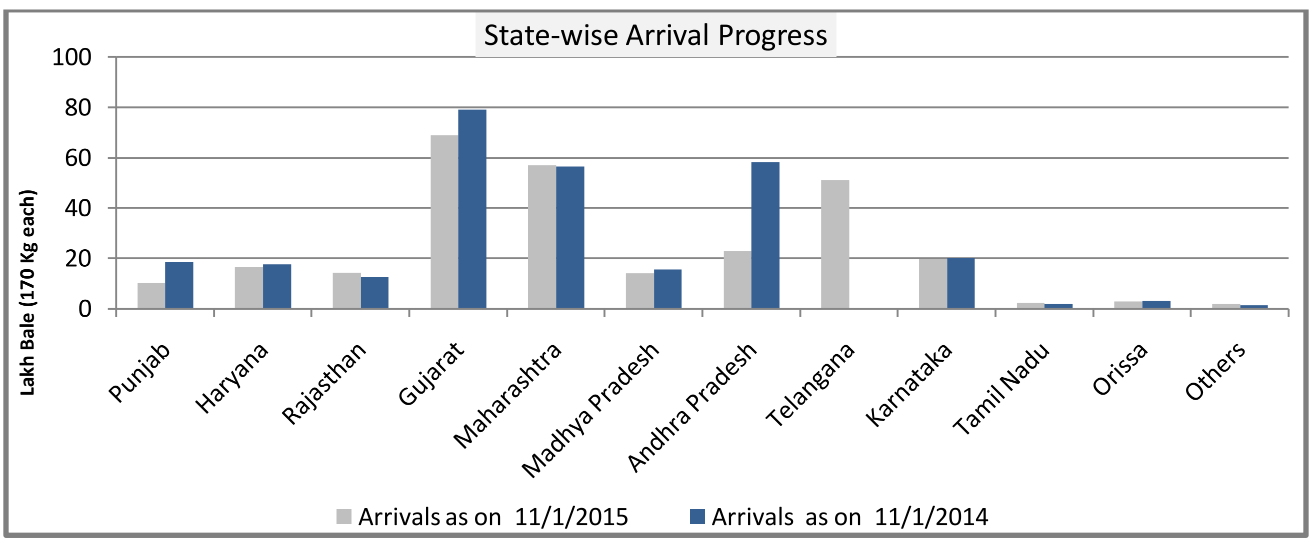
State wise Arrivals (in lakh bales of 170 kgs each):

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 13-10-2014	Arrivals As on 08-03-2015	Production as per CAB 02-07-2014	Arrivals As on 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

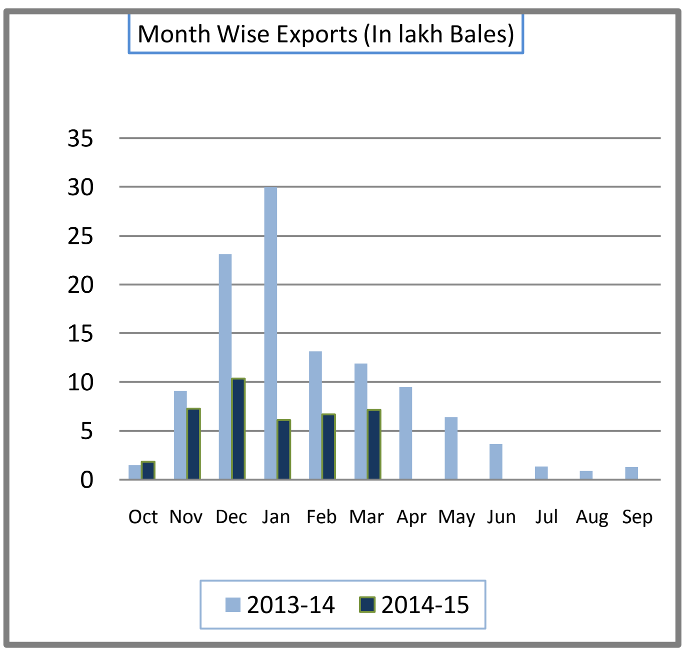
** Quantity in lakh bales (of 170 kgs. each)

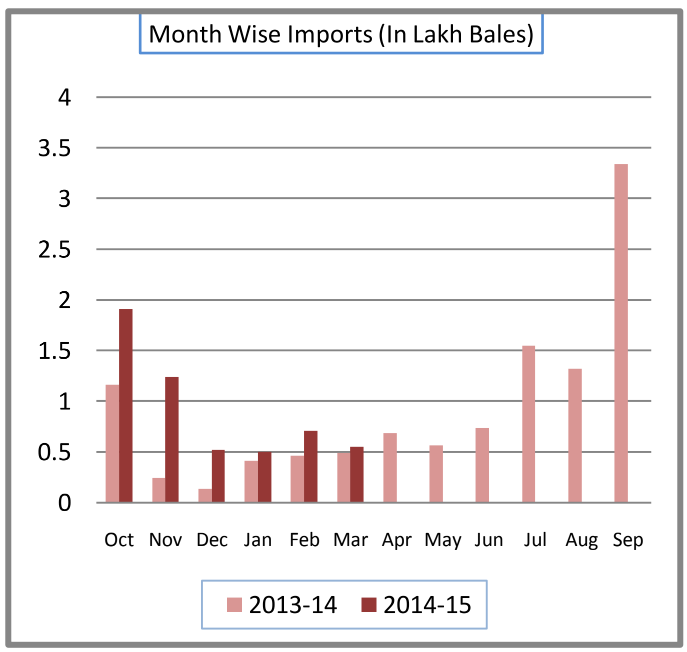


Cotton Export and Import

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**





Weekly Export Import Data

Date	06-12 Apr 2015	29 Mar-05 Apr 2015
Export (In lakh Bales)	1.21	0.81
Import (In lakh Bales)	0.19	0.19
		Source: IBIS

International Market Scenario

International cotton prices remained dull during the week . Cotlook A Index stood as weekly average stood 71.61 cents/pound this week compared to 72.83 cents/pound previous week.

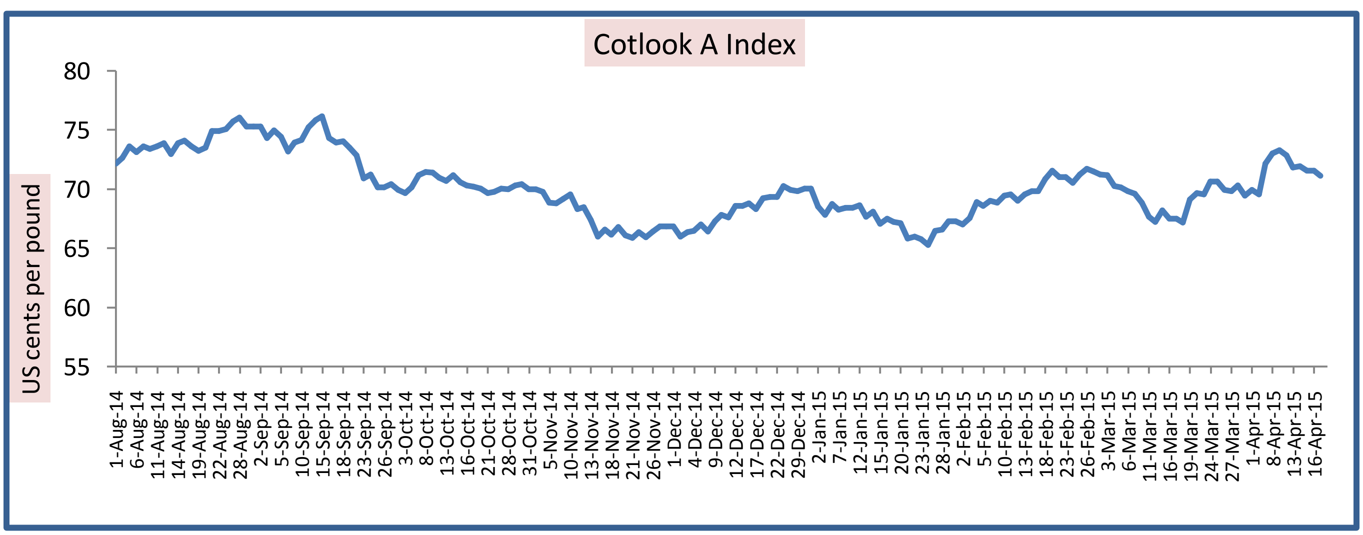
Cotton imports to China have declined by around 40% in the month of March compared to the same month during the previous year. The reason for the same stood strikes at U.S. west coast ports lower limit imposed on imports by Beijing. According to the China Cotton Association (CCA), china imported around 127,900 tones of cotton last month.

Around 8% of cotton planting has been completed in USA as on April 12 this year, which was 2% last week and 4% last year on same date, according to USDA. The five year average sowing progress is 8% as on date, same as the current sowing pace.

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.

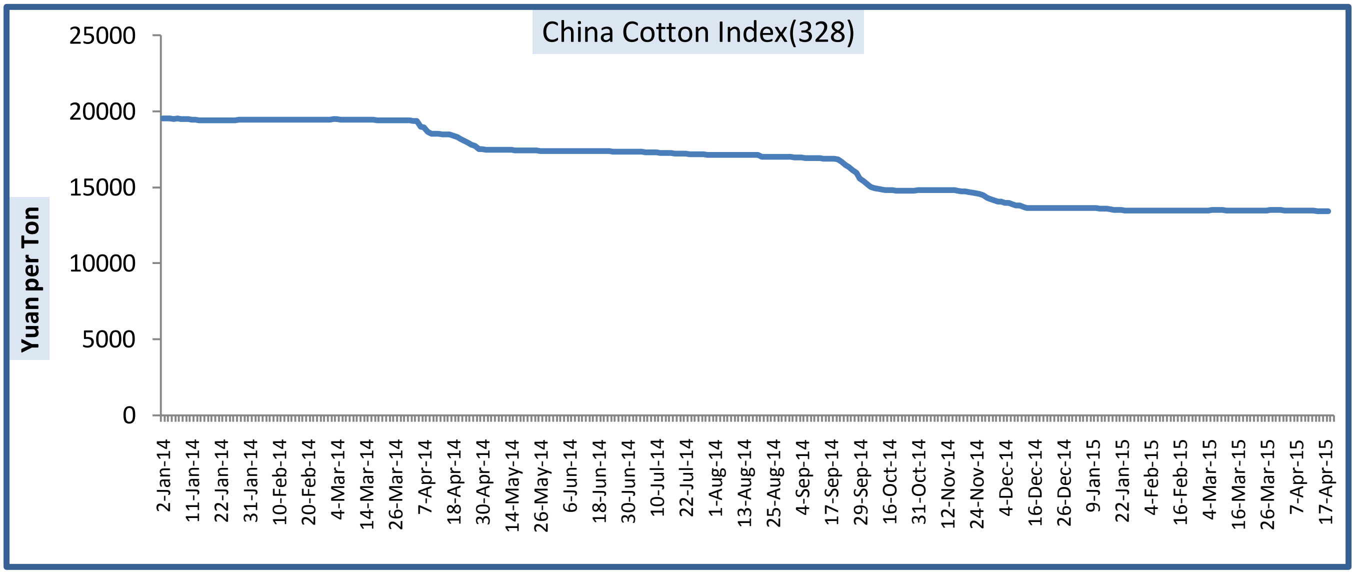
USDA has downwardly revised the imports estimates in April to 7.457 million tons from 7.490 million tons in March. Surprisingly the cause of fall in estimates is not China this time. The estimate for China imports has been increased by USDA this month. China is likely to import 1.63 million tons of cotton 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.



International Prices and Indices

China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	17-Apr-15	10-Apr-15	
CC Index(229)	14117	14142	-0.18
CC Index(328)	13427	13455	-0.21
CC Index(527)	12735	12402	2.69
Prices in Yuan per Ton			

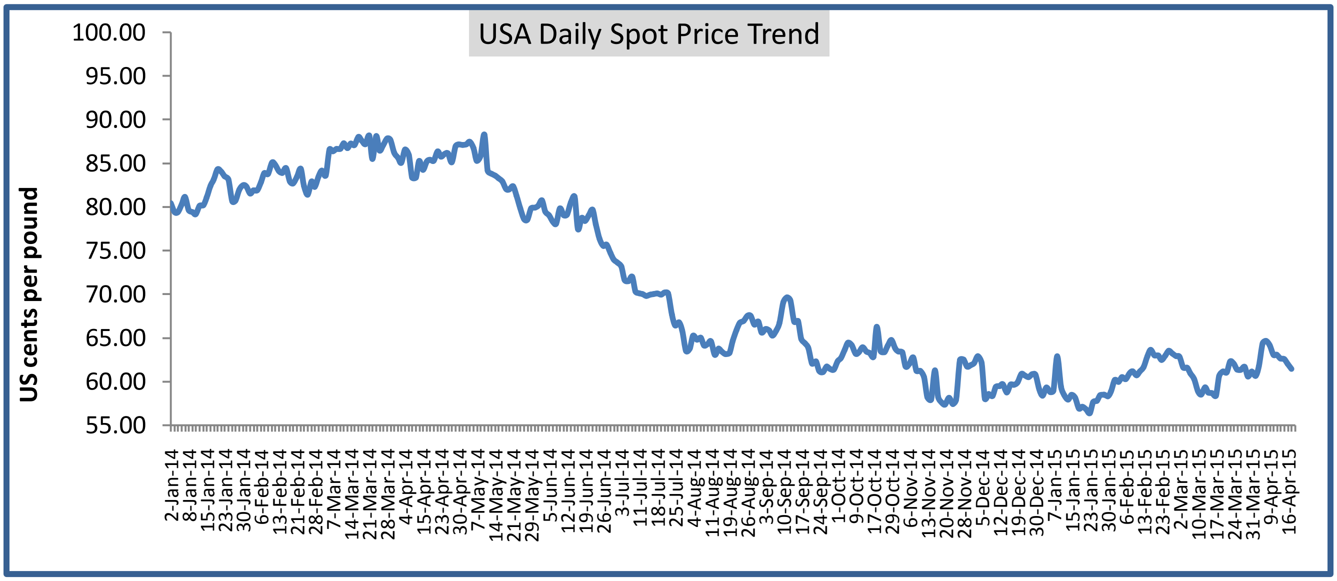


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	17-Apr-15	10-Apr-15	
Prices	71.61	72.83	-1.68
Prices in US cents per Pound			

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	17-Apr-15	10-Apr-15	
Prices	62.34	64.06	-2.68
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	17-Apr-2015	Week Ago	Year Ago	%W-o-W change	%Y-o-Y change
Mar-15	63.29	65.06	81.75	-2.72	-22.58
May-15	63.29	65.40		-3.23	--
Jul-15	63.43	65.60		-3.31	--
Oct-15	63.64	65.61		-3.00	--
Dec-15	63.59	65.13		-2.36	--
Mar-15	64.03	65.44		-2.15	--
					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 below the 9 and 18 days EMA.
- MACD has crossed into negative territory.
- We expect cotton prices to remain weak.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Bearish Momentum	775-815

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
765	750	830	845
Figures in Rs. per 20Kgs.			

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

Weekly Technical Outlook:

- Candlesticks denote bearish movement during the week.
- Declining prices and falling total V&OI depicts weaksignals.
- We expect cotton prices to remain weak.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Bearish Momentum	62.00-64.80

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.60	61.00	66.00	66.80
Figures in US cents per pound			