

## Current Market Outlook

**Cotton spot prices remained slightly firm this week as compared to previous week.** Average price of Kapas at Rajkot during the week was Rs. 4520 per quintal, which stood Rs 4515 previous week.

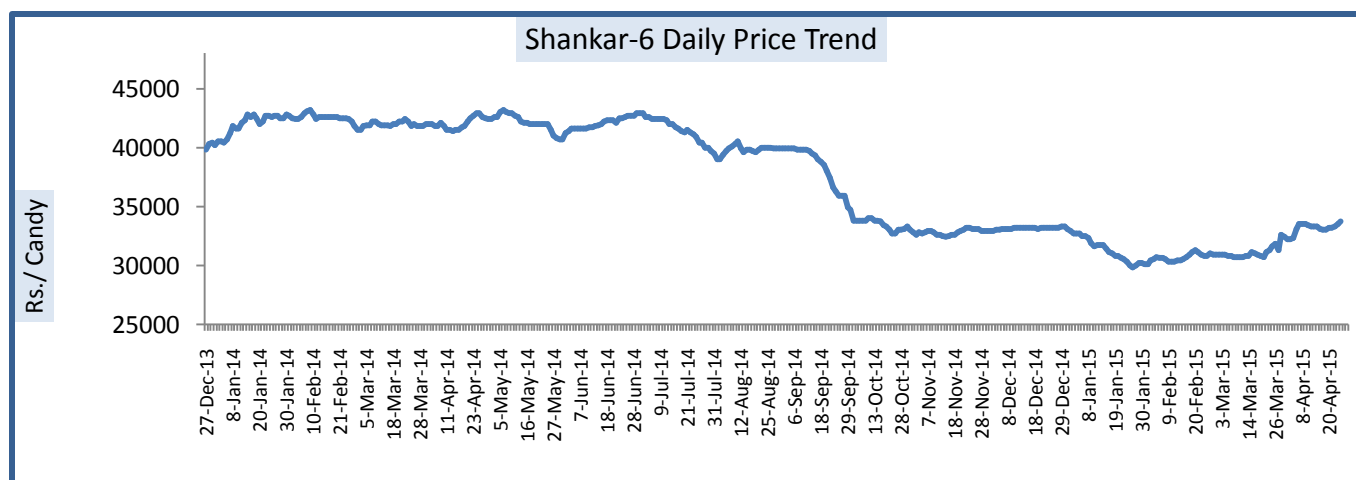
**Cotton production in the country during the season 2014/15 would stand around 390 lakh bales** which was estimated 400 lakh bales earlier. Untimely Rain and Hailstorm has affected the crop condition of many crop including cotton. Seeing the current situation, Textiles Minister Santosh Kumar Gangwar said that the cotton output in the country would be around 390 lakh bales against the earlier expectation of 400 lakh bales.

**Cotton exports from India is expected to stand around 7 million bales around 29.2% lower** when compared to 9.9 million bales last year, said Cotton Corporation of India (CCI). India has exported around 4.5 million bales so far during the season current season (Oct-14 to Sept-15). The cotton exports have tumbled down because of higher stocks on global front and lower demand from China.

**Cotton Corporation of India (CCI) has suspended the cotton procurement** for a while as cotton prices have moved up in the recent days in domestic market due to the strong demand arriving from the mills. As cotton prices are ruling higher, there is no need to Intervene, said CCI. Besides the huge demand from textile bodies, CCI is not willing to offload the stock in the domestic market as could worsen the glut like situation and also CCI is expected to take a decision regarding the sale of cotton by floating global tender.

**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 1.04 lakh bales of cotton last week (13-19 April 2015),** which was 1.21 lakh bales previous to last week (06-12 Apr 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.09 lakh bales last week, which was 0.19 lakh bales previous to last week.



### Domestic Balance Sheet

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

Item	2013-14	2014-15	% Change
<b>Supply</b>			
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
<b>Demand</b>			
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.

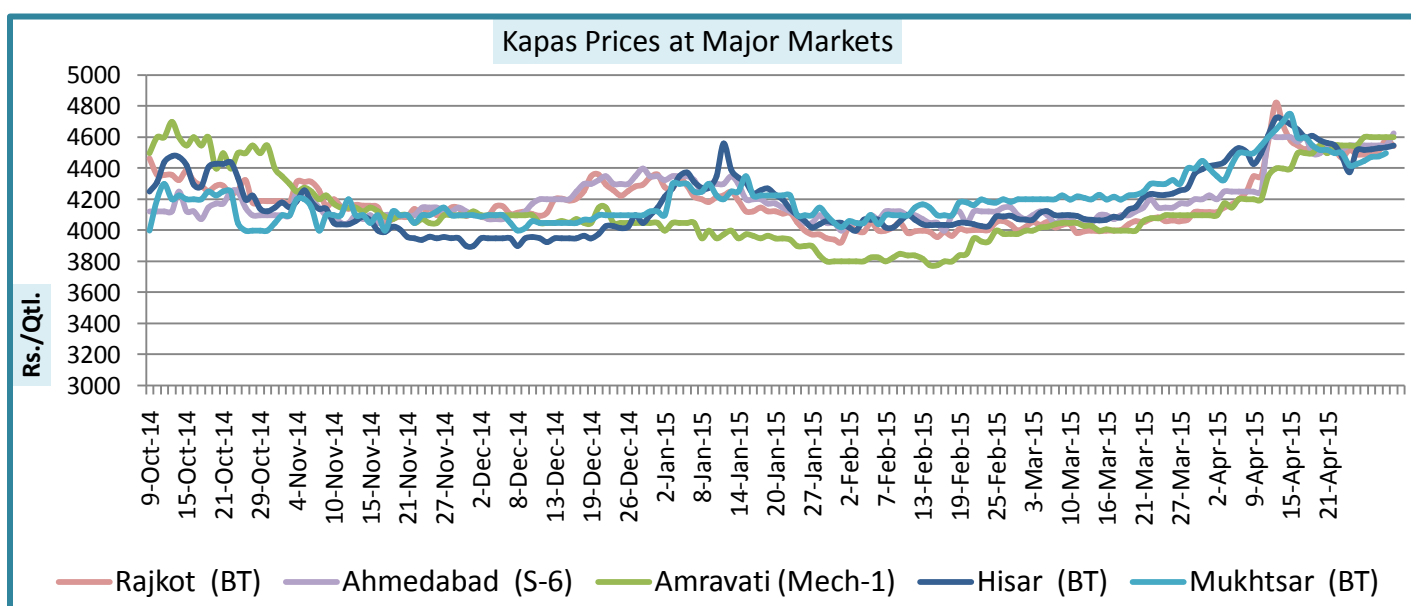
### Domestic Cotton Prices

#### Cotton Prices at Key Spot Centers:

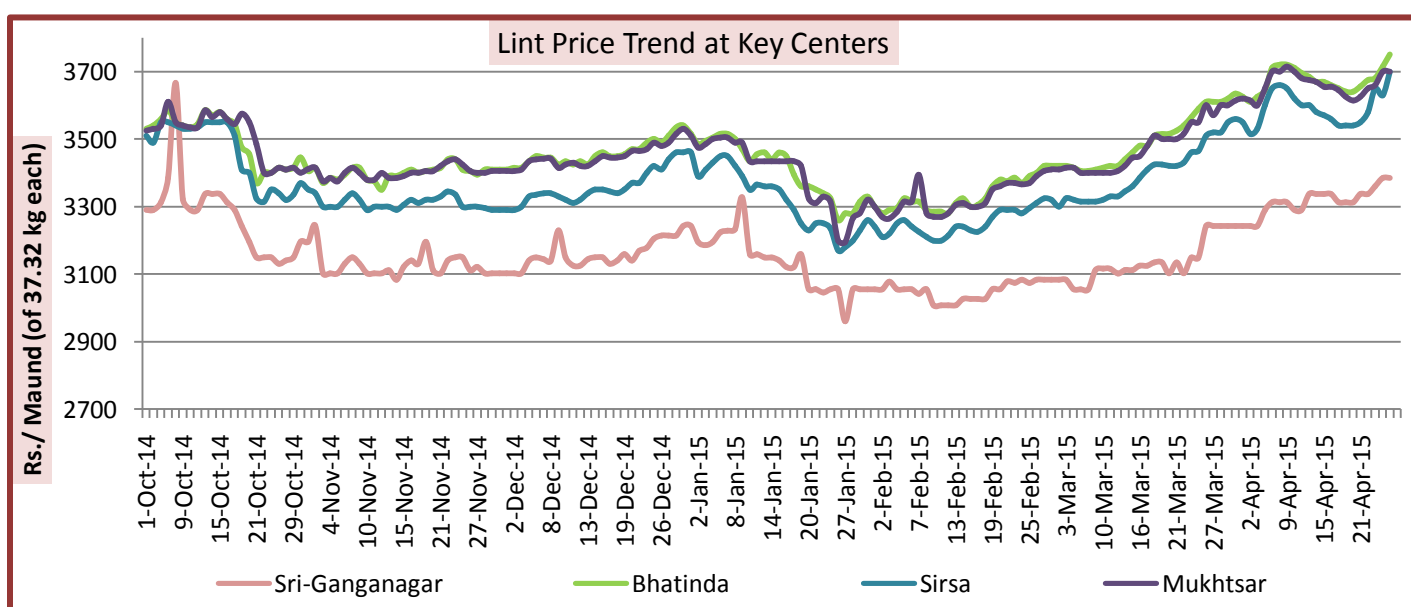
Centre	Variety	Weekly Average Prices as on		Change
		24th Apr 2015	17th Apr 2015	
	<b>Kapas</b>	(Rs./Qtl)		
Amravati	Mech-1	4590	4525	65
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4520	4515	5
Patan	B.T. Cotton	4505	4565	-60
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4495	4535	-40
Muktsar	B.T. Cotton	4450	4550	-100
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4540	4635	-95
Adampur	B.T. Cotton	4445	4565	-120
Fatehabad	B.T. Cotton	4450	4555	-105
Dabwali	B.T. Cotton	4475	4560	-85
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	4480	4520	-40
Rawatsar (Hanumangarh)	B.T. Cotton	4425	4560	-135
Hubli	B.T. Cotton	NA	4470	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4550	4540	10
Gondal	Shankar-6	4590	4530	60
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	NA	3850	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4610	4575	35
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	4050	4025	25
Krishna	Un-Ginned	4050	4050	Unch
East Godavari	Un-Ginned	4035	4050	-15
	<b>Lint</b>	Rs/Maund (of 37.32 Kgs.)		
Abohar	J-34	3665	3665	Unch
Muktsar	J-34	3645	3665	-20

Fazilika	J-34	4725	NA	-
Bhatinda	J-34	3665	3670	-5
Sirsa	J-34	3580	3575	5
Sri-Ganganagar	J-34	3345	3325	20

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

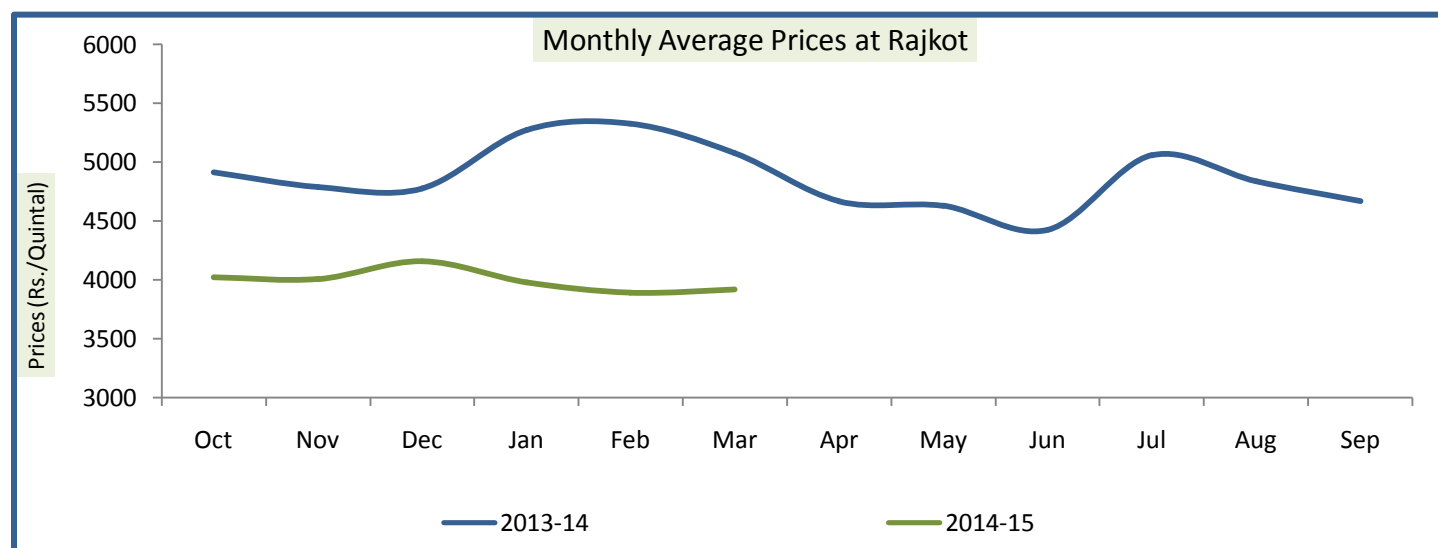
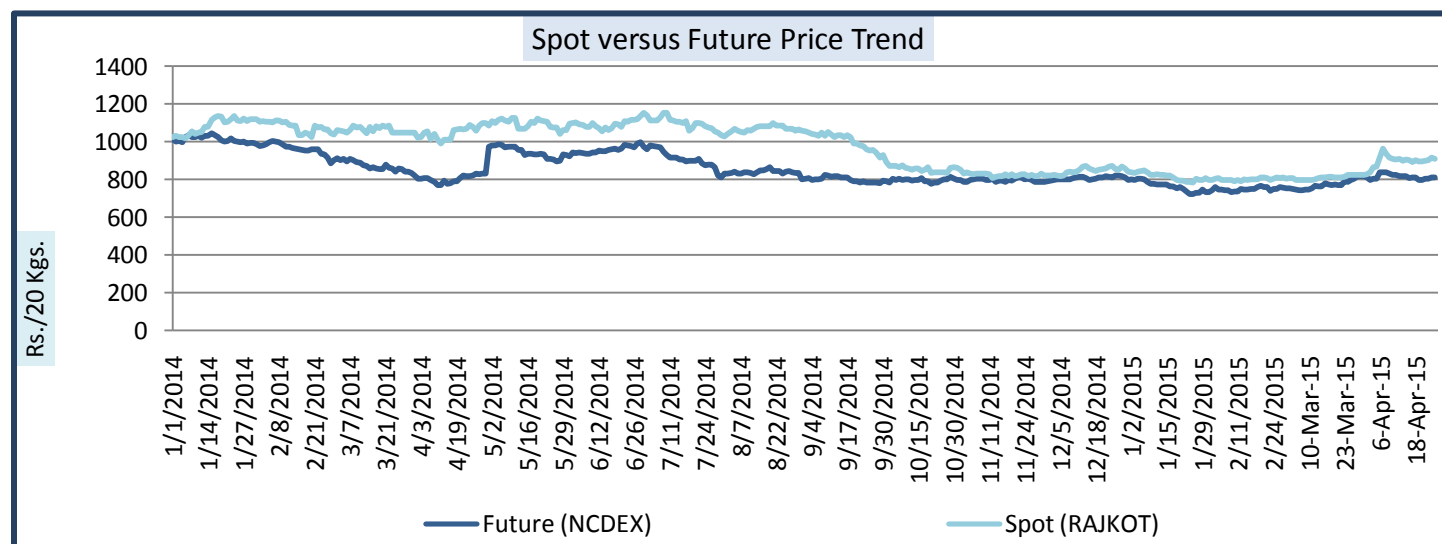


### Price Trend of Lint at Various Centers:



**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength / GPT	Weekly Average Price (Rs. Per Candy)		Change
				As on 23 Apr 2015	As on 16 Apr 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	33135	33240	-105
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	33635	33740	-105
J-34(202)	26mm	3.5 - 4.9	23	33250	33540	-290
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32700	32900	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	33200	33280	-80
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35515	35880	-365
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36285	36580	-295
DCH-32(107)	34mm	3.0 - 3.8	33	44315	43980	335

**Monthly Average Price at Rajkot:**

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


### Cotton Arrivals at Key Centers:

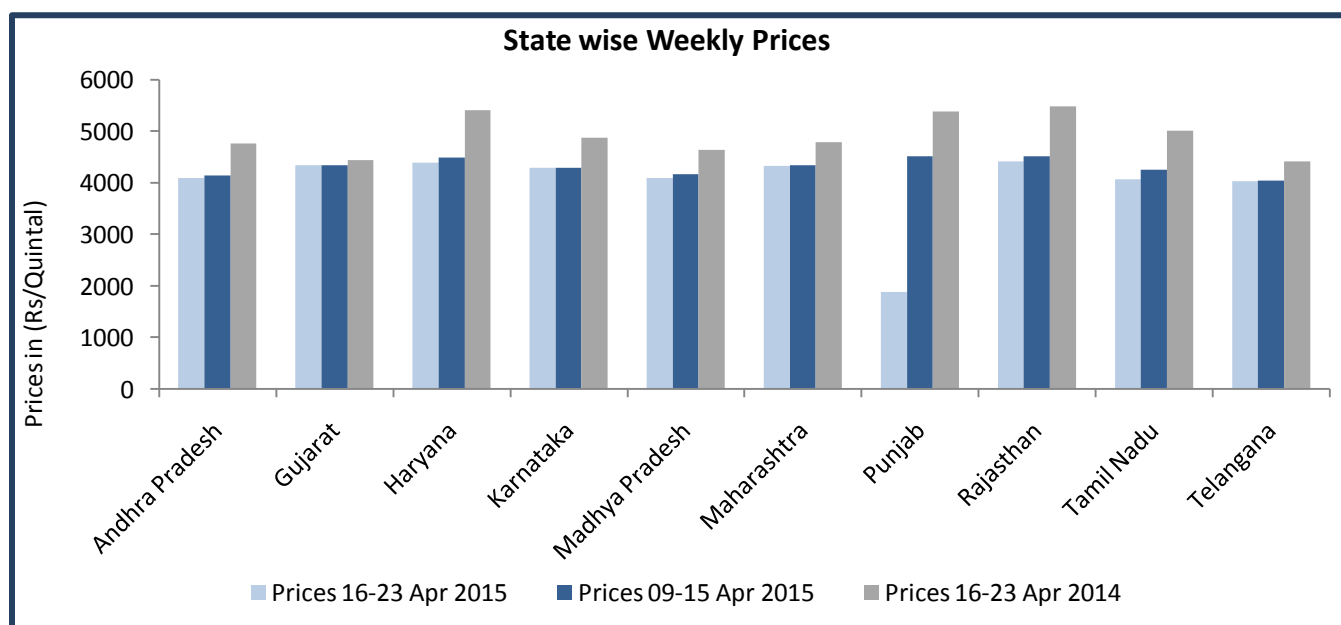
Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		As on 24th Apr 2015	As on 17th Apr 2015	
Amravati	Mech-1	1850	8700	-6850
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	7450	14150	-6700
Patan	B.T. Cotton	10028	15454	-5426
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	208	273	-65
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	1700	1700	Unch
Adampur	B.T. Cotton	255	2040	-1785
Fatehabad	B.T. Cotton	200	1575	-1375
Dabwali	B.T. Cotton	230	280	-50
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	50	1030	-980
Rawatsar (Hanumangarh)	B.T. Cotton	150	280	-130
Hubli	B.T. Cotton	NA	60	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	136000	170000	-34000
Gondal	Shankar-6	4272	3939	333
Jamner (Jalgaon)	Medium Staple	NA	23	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4499	4236	263
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	2.1	0.1	2
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	646	952	-306
Bhatinda	J-34	3230	8500	-5270
Sirsa	J-34	1190	2550	-1360
Sri-Ganganagar	J-34	NA	NA	-

### State wise Scenario

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

State	Prices 16-23 Apr 2015	Prices 09-15 Apr 2015	Prices 16-23 Apr 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4105.14	4144	4775.53	-0.94	-14.04
Gujarat	4347.02	4351.61	4450.91	-0.11	-2.33
Haryana	4391.6	4496.03	5419.69	-2.32	-18.97
Karnataka	4301.41	4293.19	4880.76	0.19	-11.87
Madhya Pradesh	4099.47	4177.29	4650.49	-1.86	-11.85
Maharashtra	4336.47	4344.76	4794.82	-0.19	-9.56
Punjab	1885.97	4515.73	5385.38	-58.24	-64.98
Rajasthan	4427.08	4519.9	5492.98	-2.05	-19.4
Tamil Nadu	4072.39	4261.8	5020.25	-4.44	-18.88
Telangana	4033.23	4048.12	4416.19	-0.37	-8.67
Average	3984.83	4315.24	4870.86		

Source:Agmarknet

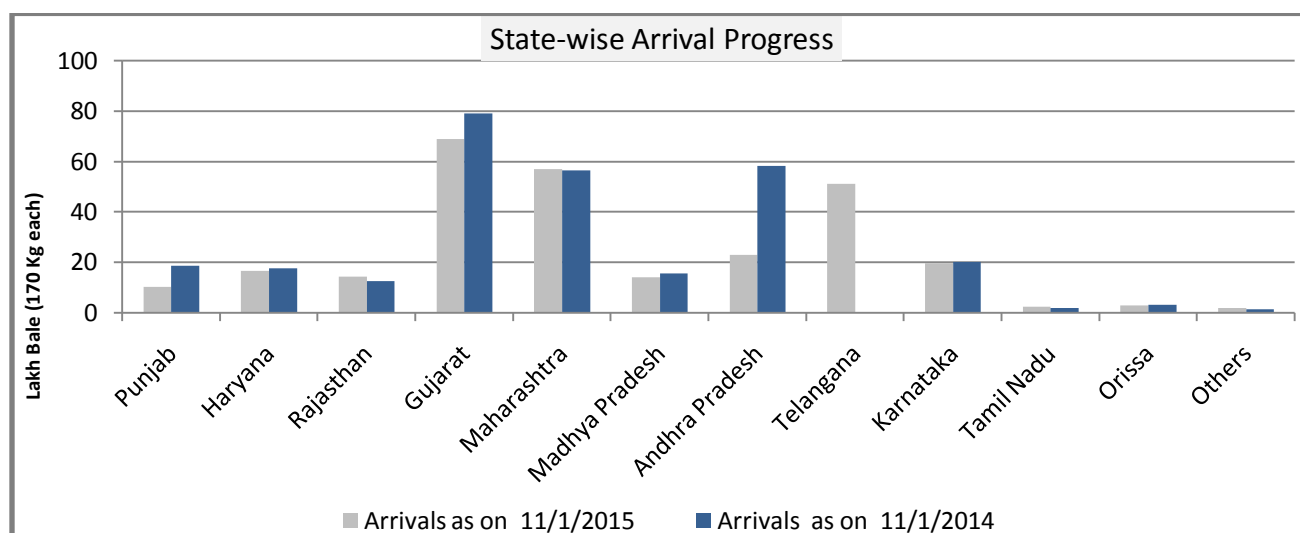


**State wise Arrivals (in lakh bales of 170 kgs each):**

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)



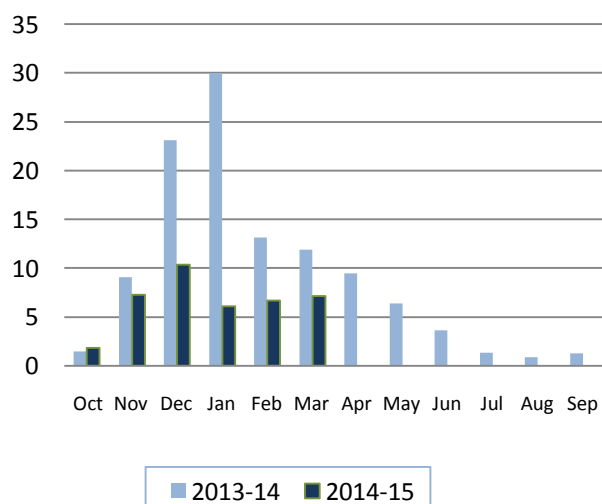


### Cotton Export and Import

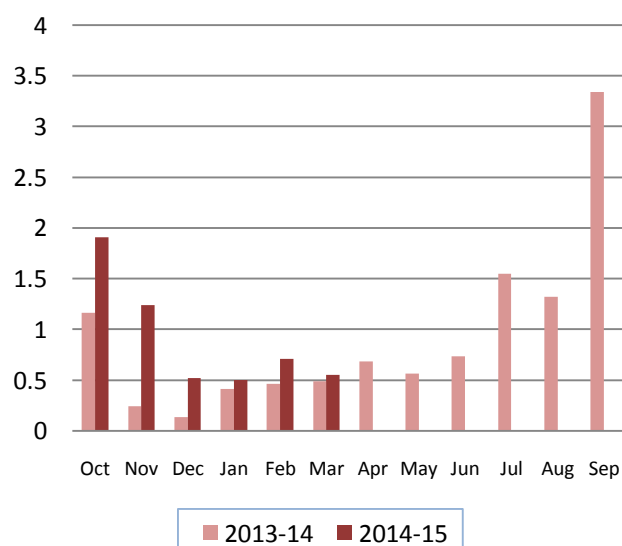
Cotton Exports(In Lakh Bales)		
Month	2013-14	2014-15
Oct	1.43	1.81
Nov	9.06	7.3
Dec	23.12	10.34
Jan	30	6.11
Feb	13.15	6.68
Mar	11.9	7.1*
Apr	9.46	
May	6.37	
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
<b>Total</b>	<b>111.5</b>	<b>39.4</b>

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	0.55*
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>5.43</b>

Month Wise Exports (In lakh Bales)



Month Wise Imports (In Lakh Bales)



### Weekly Export Import Data

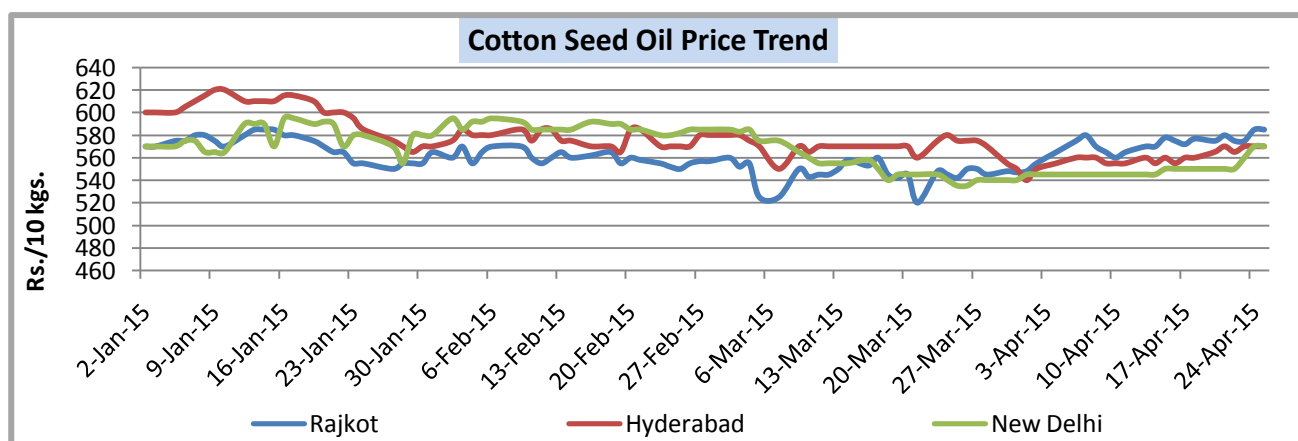
Date	13-19 Apr 2015	06-12 Apr 2015
Export (In lakh Bales)	1.04	1.21
Import (In lakh Bales)	0.09	0.19

Source: IBIS

### Cotton Seed Oil and Cotton Seed Oil Cake

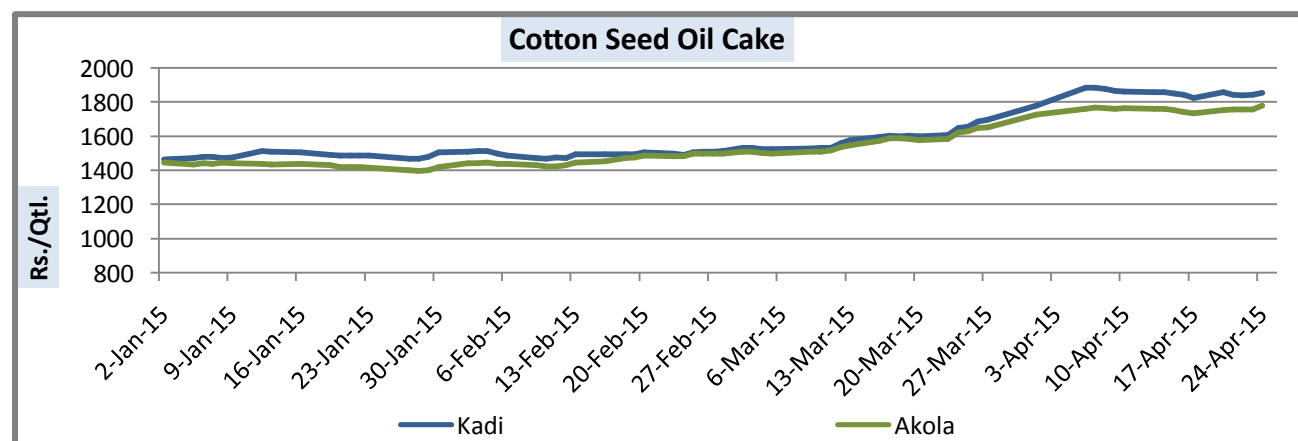
#### Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	27-Apr-15	Week Ago	
New Delhi	556	548	1.46
Rajkot	578	573	0.87
Hyderabad	568	558	1.79



#### Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	27-Apr-15	Week Ago	
Kadi	1848	1846	0.11
Akola	1760	1749	0.63



\*Source: NCDEX

## International Market Scenario

**International cotton prices remained dull during the week.** Cotlook A Index stood as weekly average stood 70.33 cents/pound this week compared to 71.61 cents/pound previous week.

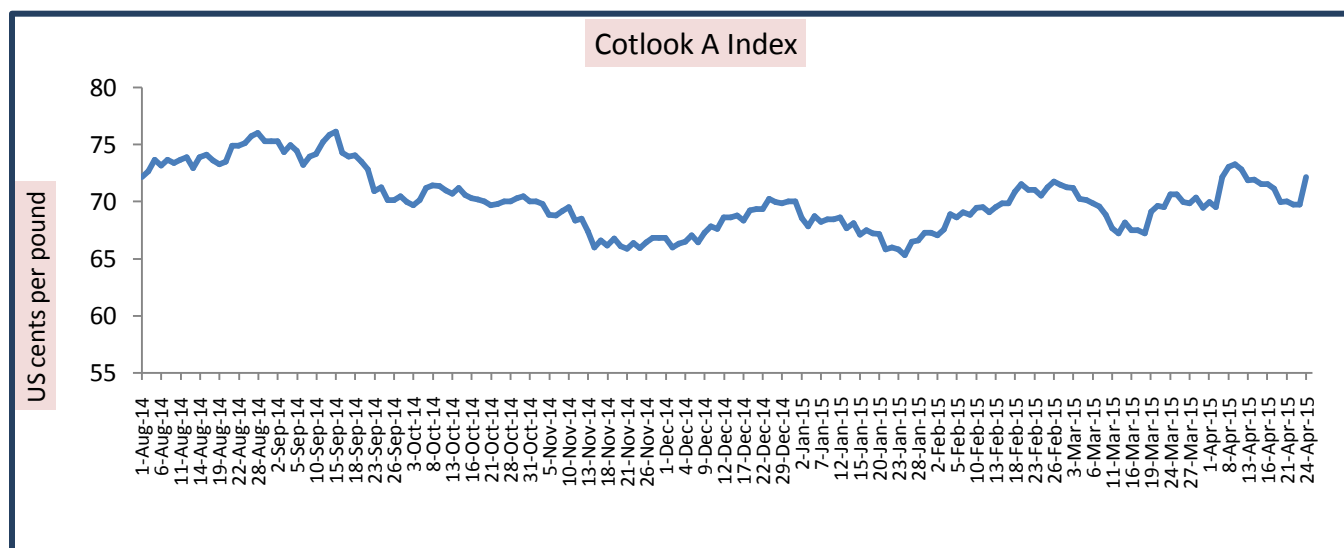
**Cotton future price at ICE gained nearly 4%, around three year high in term of percentage, on Thursday (16-Apr-2015).** Following the government report which is showing a surge in overseas demand for US cotton, price of cotton at ICE of most active July contract surged up by around 4% or 2.53 cents at 65.45 cents a pound, the highest close two weeks. In the terms of percentage, it was the largest gain since August 3, 2012 when prices noticed a gain of 4.2%, said Wall Street Journal.

**Around 9% of cotton planting has been completed in USA** as on April 19 this year, which was 4% last week and 8% last year on same date, according to USDA. The five year average sowing progress is 11% as on date, same as the current sowing pace.

**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.

**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.

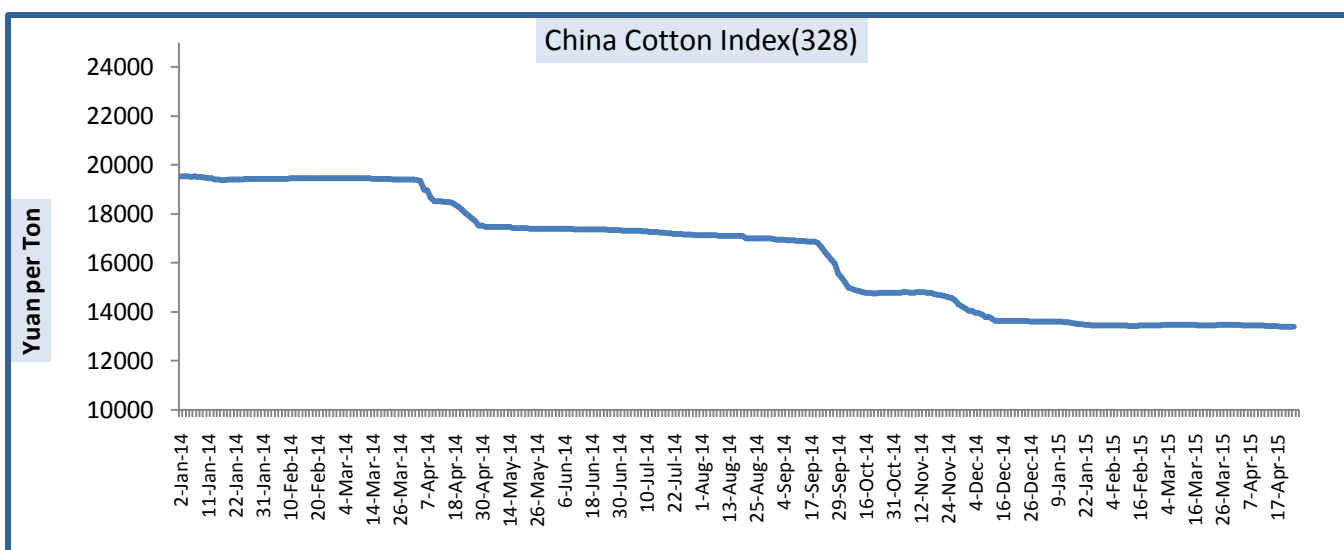


### International Prices and Indices

#### China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	24-Apr-15	17-Apr-15	
CC Index(229)	14092	14117	-0.18
CC Index(328)	13398	13427	-0.22
CC Index(527)	12351	12735	-3.02

Prices in Yuan per Ton



#### Cotlook A Index:

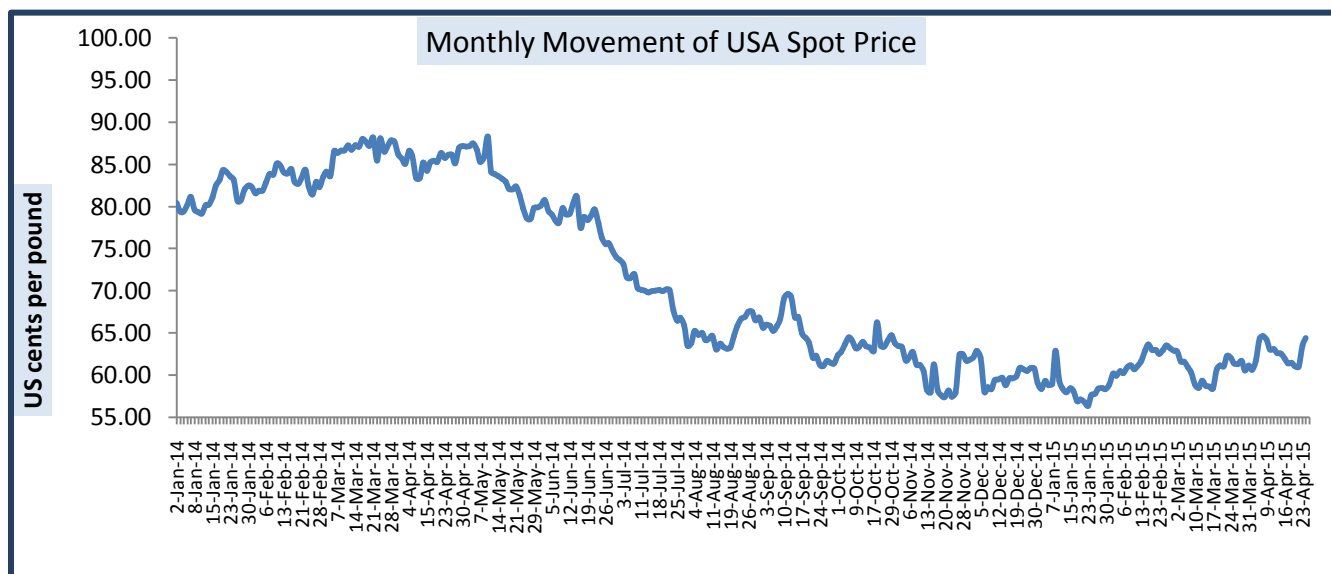
Cotlook A Index	Weekly Average Price as on		% Change
	24-Apr-15	17-Apr-15	
Prices	70.33	71.61	-1.79

Prices in US cents per Pound

#### USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	24-Apr-15	17-Apr-15	
Prices	62.31	62.34	-0.05

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	24-Apr-2015	Week Ago	Year Ago	%W-o-W change	%Y-o-Y change
<b>Mar-15</b>	66.50	63.29	82.05	5.07	-18.95
<b>May-15</b>	66.34	63.29		4.82	--
<b>Jul-15</b>	65.61	63.43		3.44	--
<b>Oct-15</b>	65.62	63.64		3.11	--
<b>Dec-15</b>	65.27	63.59		2.64	--
<b>Mar-15</b>	65.46	64.03		2.23	--

Figures in US cents per pound

## Cotton Futures

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



### Weekly Technical Outlook:

- Candlesticks denote recovery in the prices during the week.
- RSI is moving low in neutral region.
- Prices are hovering above the 9 and 18 days EMA.
- MACD histogram is moving in negative territory.
- We expect cotton prices to remain sideways to firm.

### Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Sideways to Firm Momentum	795-845

### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
785	770	850	865

Figures in Rs. per 20Kgs.

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

**Weekly Technical Outlook:**

- Candlesticks denote recovery in the prices during the week.
- Volume and OI are rising with the uptrend in prices.
- We expect cotton prices to remain sideways to firm.

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
Sideways to Firm Momentum	65.00-67.40

**Expected Support and Resistance**

Support 1	Support 2	Resistance 1	Resistance 2
64.40	64.00	68.00	68.60

Figures in US cents per pound

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