Current Market Outlook

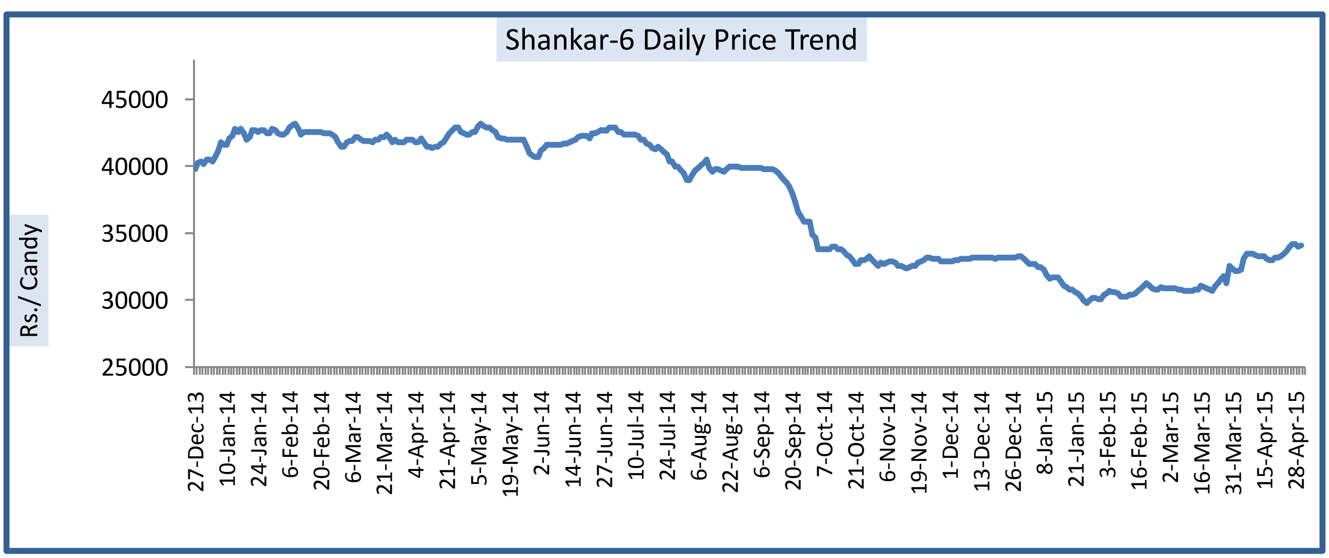
Cotton spot prices remained uptrend this week as compared to previous week. Average price of Kapas at Rajkot during the week was Rs. 4640 per quintal, which stood Rs 4520 previous week.

Cotton Corporation of India (CCI) has decided not to release the entire cotton stocks immediately in the market, rather it will release in the phases. Textile industry is constantly demanding CCI to release the stocks so avoid artificial shortage of cotton. CCI has procured around 86 lakh bales of cotton at MSP this season, highest procurement since 208-09, which has lifted the cotton prices in the domestic market which is putting the textile industry in the trouble by making raw cotton costlier.

The Government is intended to procure 11 million bales of cotton in the current season ending in September. An ex-post facto approval by Cabinet Committee on Economic Affairs has been granted to engage Maharashtra State Co-operative Cotton Growers Marketing Federation (MSCCGMFL) as a sub agent of CCI to undertake procurement operations. CCI is likely to procure 10 million bales in 2014-15 whereas MSCCGMFL would procure one million bales. MSCCGMFL will procure cotton in Maharashtra. Till date CCI has procured 8.7 million bales of cotton highest since 2008-09 when it was 89.35 million bales.

Cotton association of India (CAI) has revised the estimates for the cotton output in country at 391 lakh bales for the current season. CAI had estimated cotton output at 396 lakh bales earlier in March, and revised the same this month due to unusual rain occurred previous month. According to CAI, around 318.4 lakh bales of cotton have arrived in the market till March end. Around 79.5 lakh bales has been arrived in Mandis of Gujarat, 66.8 lakh bales has been arrived Maharashtra. In central India which includes Gujarat, Maharashtra and Madhya Pradesh, recorded the total arrival of 161.8 lakh bales till March end.

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.



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	391	-3.99
Imports	11.75	13	10.64
Availability	471.58	462.9	-1.84
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	70*	-37.50
Total Demand	418.6	376	-10.18
Ending Stock	58.9	86.9	47.54

Source: Cotton Association of India (CAI) *As estimated by CCI

Balance Sheet Highlight (2014-15):

Cotton association of India (CAI) has revised the estimates for the cotton output in country at 391 lakh bales for the current season. CAI had estimated cotton output at 396 lakh bales earlier in March, and revised the same this month due to unusual rain occurred previous month. 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.

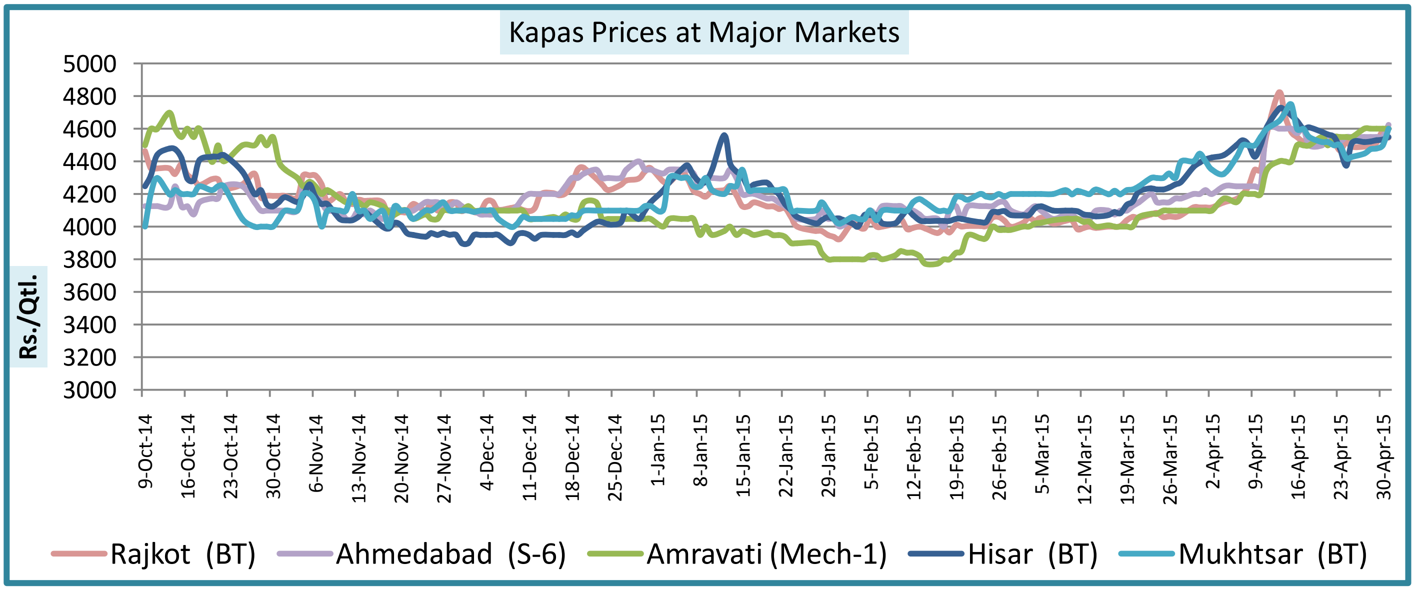
Domestic Cotton Prices

Cotton Prices at Key Spot Centers:

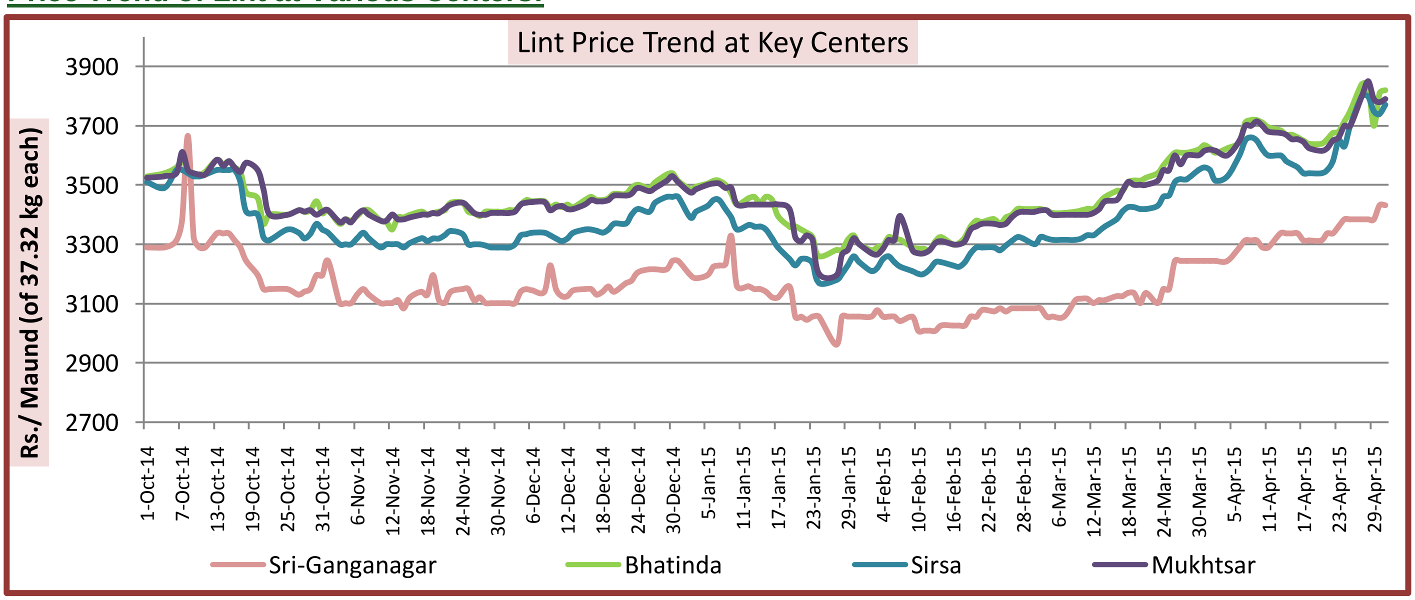
Centre	Variety	Weekly Average Prices as on		Change
		01st May 2015	24th Apr 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4630	4590	40
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4640	4520	120
Patan	B.T. Cotton	4625	4505	120
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4565	4495	70
Muktsar	B.T. Cotton	NA	4450	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4550	4540	10
Adampur	B.T. Cotton	NA	4445	-
Fatehabad	B.T. Cotton	NA	4450	-
Dabwali	B.T. Cotton	NA	4475	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	4480	-
Rawatsar (Hanumangarh)	B.T. Cotton	4505	4425	80
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4675	4550	125
Gondal	Shankar-6	4605	4585	20
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	3455	NA	-
Raichur	H-44 Cotton	4620	4610	10
Guntur	Un-Ginned	3950	NA	-
Kurnool	Un-Ginned	3980	4050	-70
Krishna	Un-Ginned	4015	4050	-35
East Godavari	Un-Ginned	3990	4035	-45
	Lint	**Rs/Maund** (of 37.32 kg each)		

Abohar	J-34	3815	3665	150
Muktsar	J-34	3785	3645	140
Fazilika	J-34	NA	4725	-
Bhatinda	J-34	3795	3670	125
Sirsa	J-34	3760	3580	180
Sri-Ganganagar	J-34	3400	3340	60

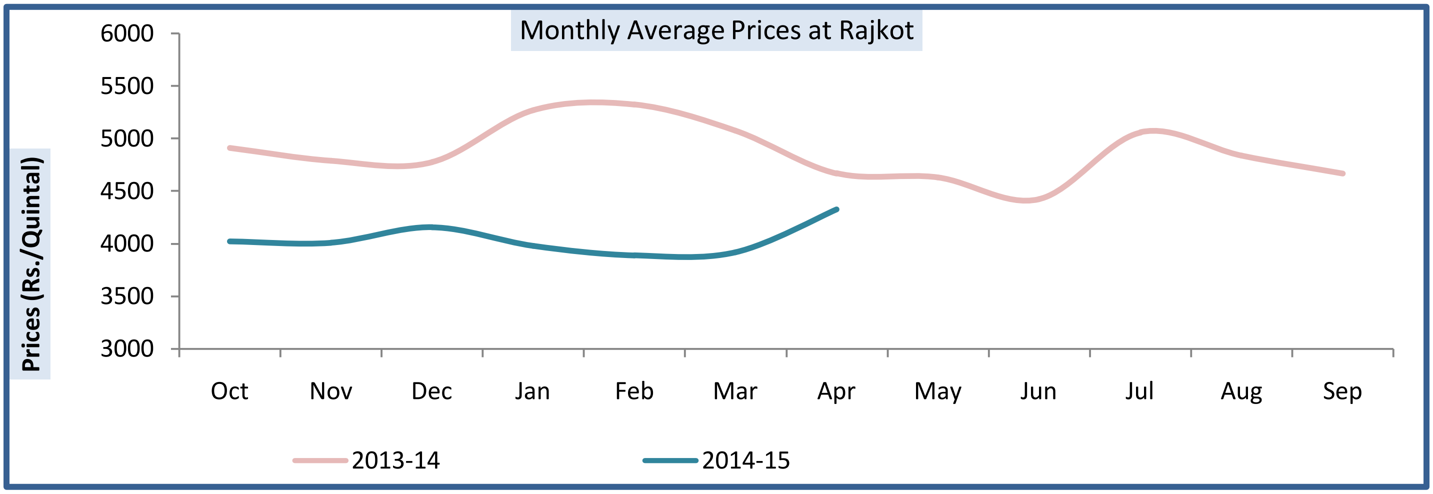
Price Trend of Kapas (Seed Cotton) at Key Centers:



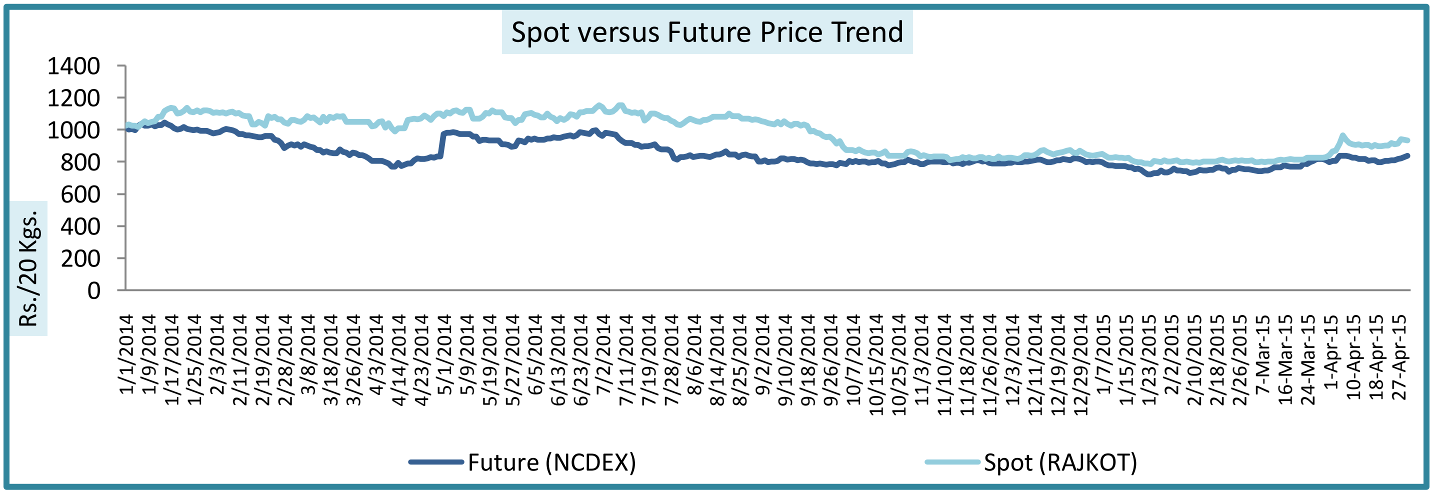
Price Trend of Lint at Various Centers:



Monthly Average Price at Rajkot:



Price Movement at Spot and Future Market:



Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Price as on*		Change
				30 Apr 2015	23 Apr 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34250	33135	1115
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	34750	33635	1115
J-34(202)	26mm	3.5 - 4.9	23	34985	33250	1735
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	33350	32700	650
Shankar-6(105)	29mm	3.5 – 4.9	28	34035	33200	835
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36050	35515	535
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36850	36285	565
DCH-32(107)	34mm	3.0 - 3.8	33	46350	44315	2035

**Prices in Rs/candy (of 356 kg each)*

Cotton Arrivals at Key Centers:

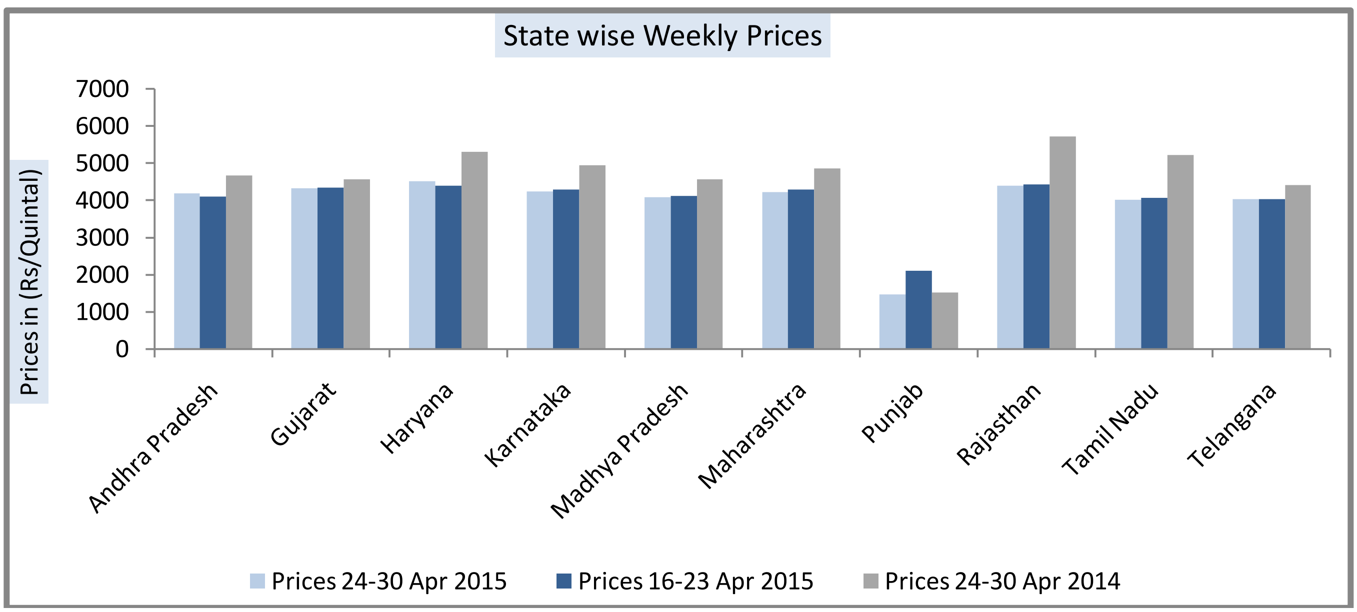
Centre	Variety	Weekly Cumulative Arrivals (Qtl)		Change
		01st May 2015	24th Apr 2015	
Amravati	Mech-1	1400	1850	-450
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	7500	7450	50
Patan	B.T. Cotton	16425	10028	6397
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	39	208	-169
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	450	1700	-1250
Adampur	B.T. Cotton	NA	255	-
Fatehabad	B.T. Cotton	NA	200	-
Dabwali	B.T. Cotton	NA	230	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	50	-
Rawatsar (Hanumangarh)	B.T. Cotton	60	150	-90
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	151300	136000	15300
Gondal	Shankar-6	3216	4272	-1056
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	18	NA	-
Raichur	H-44 Cotton	4499	4499	Unch
Guntur	Un-Ginned	2	NA	-
Kurnool	Un-Ginned	4	2.1	2
Krishna	Un-Ginned	1	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	340	646	-306
Bhatinda	J-34	NA	3230	-
Sirsa	J-34	510	1190	-680
Sri-Ganganagar	J-34	NA	NA	-

State wise Scenario

State wise Weekly Prices (Rs./Qtl.)

State	Prices 24-30 Apr 2015	Prices 16-23 Apr 2015	Prices 24-30 Apr 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4187.89	4105.14	4680.91	2.02	-10.53
Gujarat	4332.84	4349.08	4577.48	-0.37	-5.34
Haryana	4521.06	4389.45	5305.59	3	-14.79
Karnataka	4239.13	4301.34	4947.45	-1.45	-14.32
Madhya Pradesh	4083.33	4117.49	4574.84	-0.83	-10.74
Maharashtra	4222.22	4294.72	4870.49	-1.69	-13.31
Punjab	1463.94	2101.14	1522.34	-30.33	-3.84
Rajasthan	4402.06	4427.08	5723.67	-0.57	-23.09
Tamil Nadu	4015.02	4072.39	5232.23	-1.41	-23.26
Telangana	4029.89	4032.18	4415.4	-0.06	-8.73
Average	3778.89	4002.12	4547.29		

Source:Agmarknet



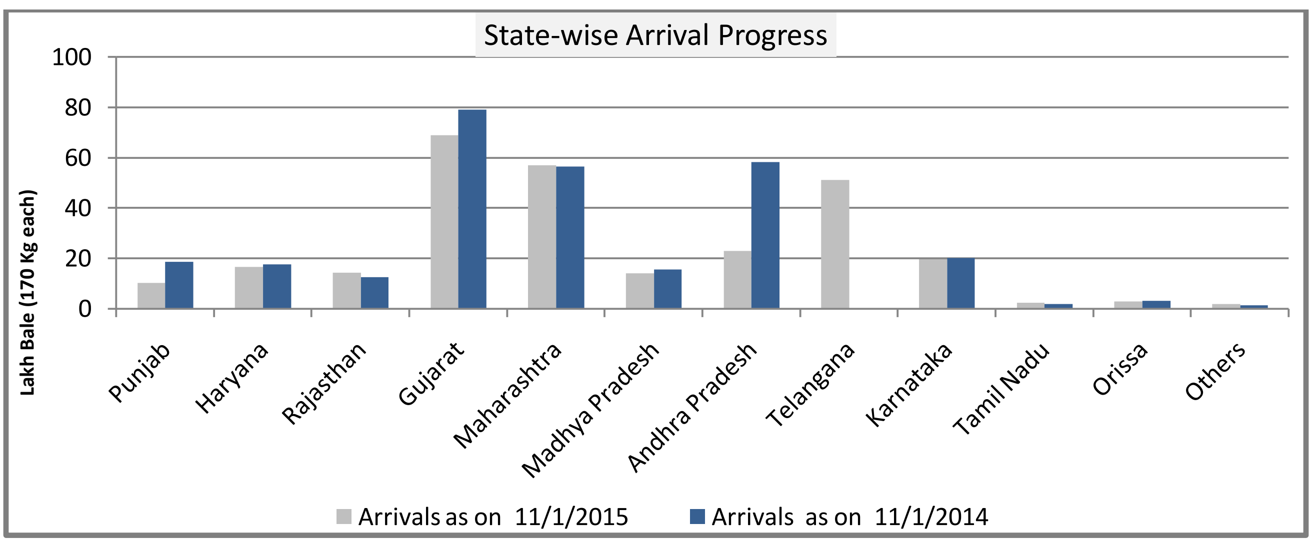
State wise Arrivals (in lakh bales of 170 kgs each):

Table given below showing cotton production and estimated arrivals during 2014-15 **s**eason 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

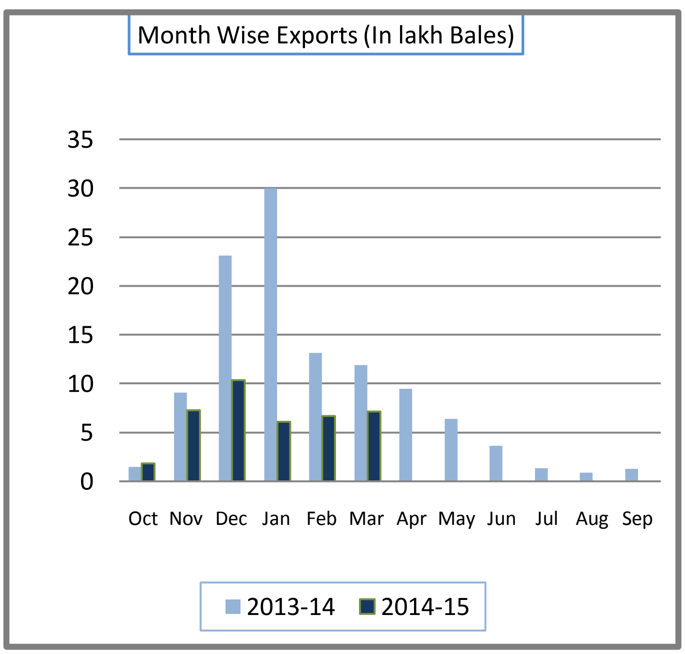
** Quantity in lakh bales (of 170 kgs. each)

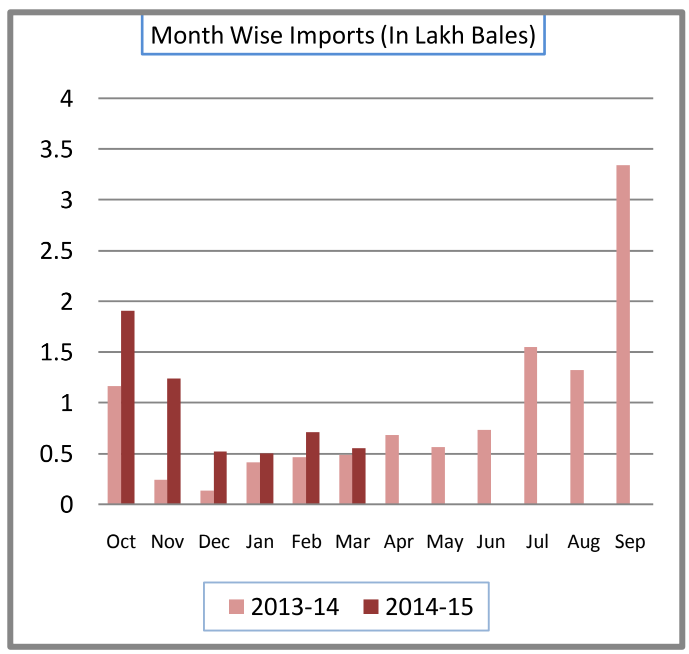


Cotton Export and Import

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	7.3
Apr	9.46	
May	6.37	
Jun	3.62	
Jul	1.32	
Aug	0.87	
Sep	1.24	
Total	**111.5**	**39.5**

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	0.74
Apr	0.68	
May	0.56	
Jun	0.73	
Jul	1.55	
Aug	1.32	
Sep	3.34	
Total	**11.07**	**5.62**





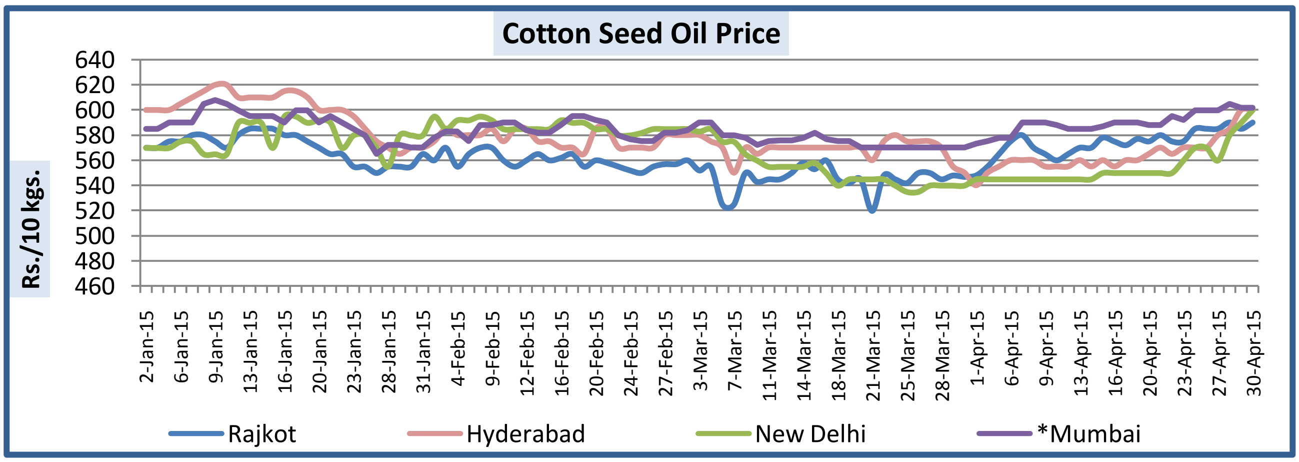
Weekly Export Import Data

Date	20-26 Apr 2015	13-19 Apr 2015
Export (In lakh Bales)	0.54	1.04
Import (In lakh Bales)	0.23	0.09
		Source: IBIS

Cotton Seed Oil and Cotton Seed Oil Cake

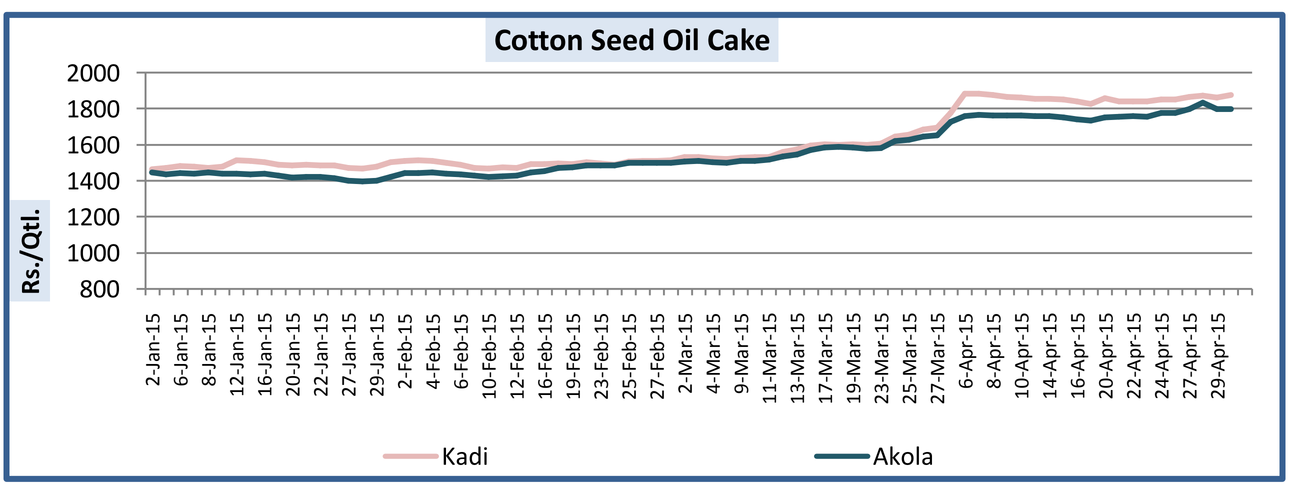
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	01-May-15	24-Apr-15	
New Delhi	582.5	556	4.77
Rakjot	587.5	578	1.64
Hyderabad	591.25	568	4.09
Mumbai*	602.25	592.6	1.63
			Vat Included



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	01-May-15	24-Apr-15	
Kadi	1870	1847.8	1.20
Akola	1807.75	1760.4	2.69



*Source: NCDEX

International Market Scenario

International cotton prices remained firm during the week. Cotlook A Index stood as weekly average stood 73.64 cents/pound this week compared to 70.33 cents/pound previous week.

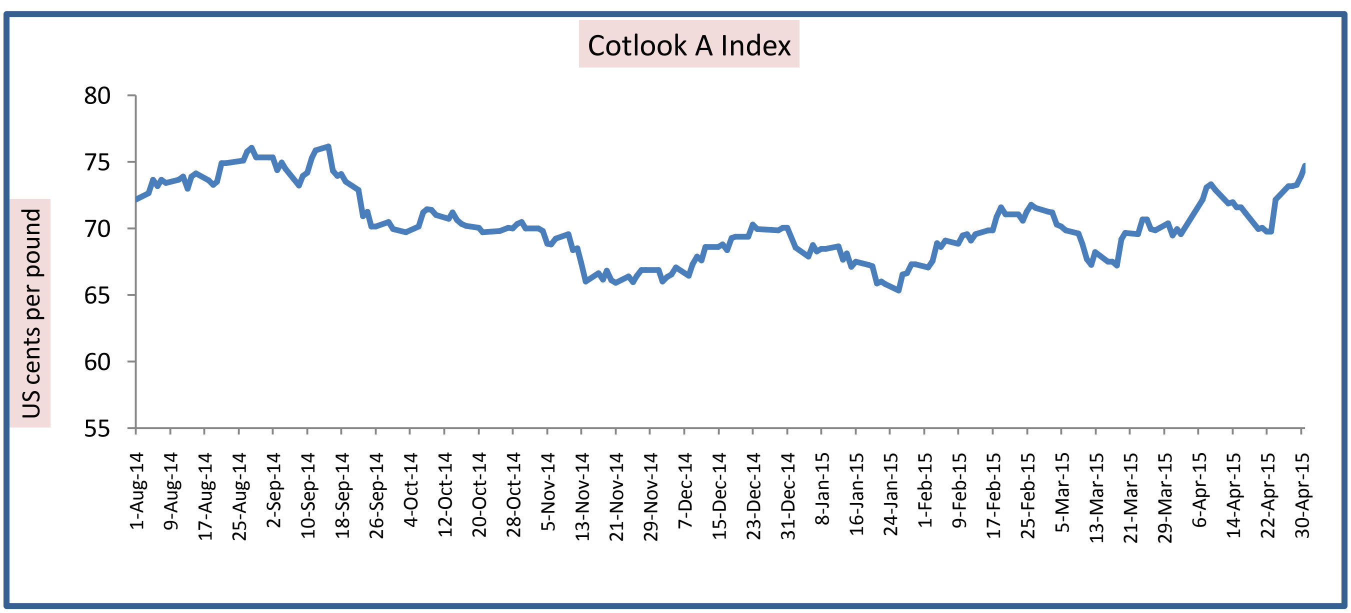
Cotton prices in China have been rebounding marginally since mid April, on better yarn sales of downstream companies. The benchmark cotton contract for September delivery, which rose 0.22 percent by the end of Tuesday, surged to the highest of 13,530 yuan/tonne and hit the lowest of 13,355 yuan/tonne during Tuesday session, recording a fluctuating range of nearly 200 yuan in a day, according to Reuters.

Around 12% of cotton planting has been completed in USA as on April 26 this year, which was 8% last week and 10% last year on same date, according to USDA. The five year average sowing progress is 16% as on date, same as the current sowing pace.

Price of US cotton is surging up as there is strong demand for the quality fibre in the market. Australia has harvested only the half of what it produced last year. Brazil crop is facing the quality issues and India high quality crop has been held off the market. According to the market participants, the demand is heading towards USA for the quality cotton which has led the upward movement in the cotton prices.

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.



International Prices and Indices

China Cotton Index:

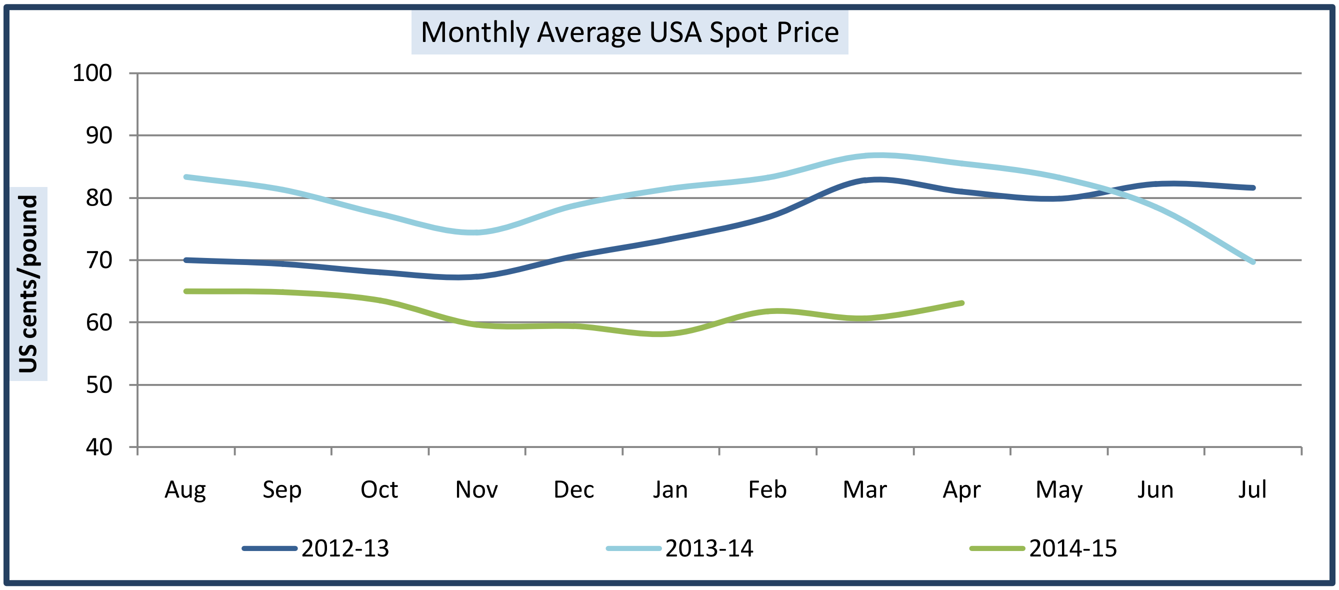
CC Indices	Weekly Average Price as on		% Change
	01-May-15	24-Apr-15	
CC Index(229)	14088	14092	-0.03
CC Index(328)	13390	13398	-0.06
CC Index(527)	12344	12351	-0.06
			Prices in Yuan per Ton

Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	01-May-15	24-Apr-15	
Prices	73.64	70.33	4.71
			Prices in US cents per Pound

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	01-May-15	24-Apr-15	
Prices	64.75	62.31	3.92
			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	71.7	-23.89
May	92.7		
June	90.89		
July	83.83		

Cotton Futures (ICE):

Contracts	01-May-2015	Week Ago	Year Ago	%W-o-W change	%Y-o-Y change
May-15	66.85	66.50	82.65	0.53	-19.12
Jul-15	66.61	66.34		0.41	--
Oct-15	66.30	65.61		1.05	--
Dec-15	66.45	65.62		1.26	--
Mar-16	66.00	65.27		1.12	--
May-16	66.11	65.46		0.99	--
					Figures in US cents per pound

Cotton Futures

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

Weekly Technical Outlook:

- Candlesticks denote uptrend in the prices during the week.
- RSI is moving low in neutral region.
- Prices are hovering above the 9 and 18 days EMA.
- MACD centerline has crossed into positive territory.
- We expect cotton prices to remain firm.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Bullish Momentum	16450-16900

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
16350	16200	17000	17150
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 firm.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Bullish Momentum	62.20-68.80

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
61.80	61.40	69.40	69.80
Figures in US cents per pound			