

Current Market Outlook

Cotton spot prices noticed weak movements during this week as compared to previous week. Average price of Kapas at Rajkot during the week was Rs. 4550 per quintal, which stood at Rs 4620 previous week.

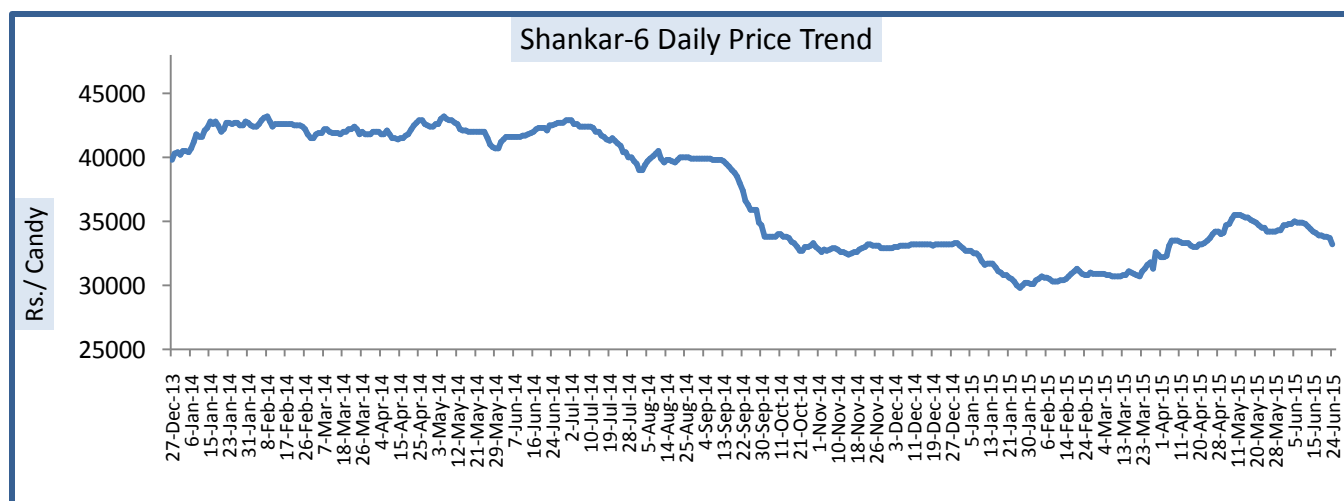
According to Investment Information and Credit Rating Agency of India (ICRA), cotton prices in year 2016 is likely to remain range bound despite the expectation of fall in production by 10-15%. ICRA in its report said that in the last four years (CY 2011-12 to 2014-15), the global cotton prices and trade were majorly driven by government policies in various producing and consuming countries, despite the increasing supply and negligible growth in demand.

Cotton Corporation of India (CCI) has sold around 15 lakh bales of cotton so far from the stock of 87 lakh bales which it procured during the current season under the procurement operation, said Indian Cotton Federation (ICF).

Minimum Support Price (MSP) of cotton has been revised upwardly for the year 2015-16 by Cabinet Committee on Economic Affairs (CACP) by Rs 50 for each of Medium and Long staple. The MSP of Medium staple cotton has been revised to Rs 3800 per quintal for 2015-16 which was Rs. 3750 in 2014-15. Similarly, the MSP for Long staple has been revised to Rs. 4100 for the upcoming season 2015-16, which was Rs 4050 in the current season.

Central Institute for Cotton Research (CICR) has issued the district specific advisory for sowing cotton across the country, considering the difference in the status of monsoon in different states. CICR has suggested the immediate sowing in Maharashtra in the coming week particularly in Jalgaon, yavatmal, Nanded, Amravati, Buldana and Aurangabad districts as dry situation is expected in the period of July 03-16.

Around 19.66 lakh hectares of cotton has been sown so far throughout the country, as on 19 June this year, which is around 1.7% lower when compared to the sowing progress of last season during the corresponding period which was 20.00 lakh hectares, according to Ministry of Agriculture.



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) *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 a lower side this season due to lower 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 would be on lower side in 2015-16, said USDA. Cotton output in the country would be around 6.423 million ton in the coming season, slightly lower compared to the current season which is around 6.523 million tones.

Acreage of cotton in India would shrink in the coming season to 12 million hectares from 12.7 million hectares in the current season. Yield of cotton would be higher at 535 kg per hectare in the coming season as compared to 514 kg per hectare in the current season.

Cotton consumption in India is likely to surge up to 5.606 million tons in the coming season compared to 5.334 million tons in the current season.

Cotton exports in the coming season that is 2015-16 is likely to be around at 1.089 million tones (64.05 lakh bales approx.) around 28.6% lower when compared to 849 million tones (49.9 lakh bales approx.) in the current season.

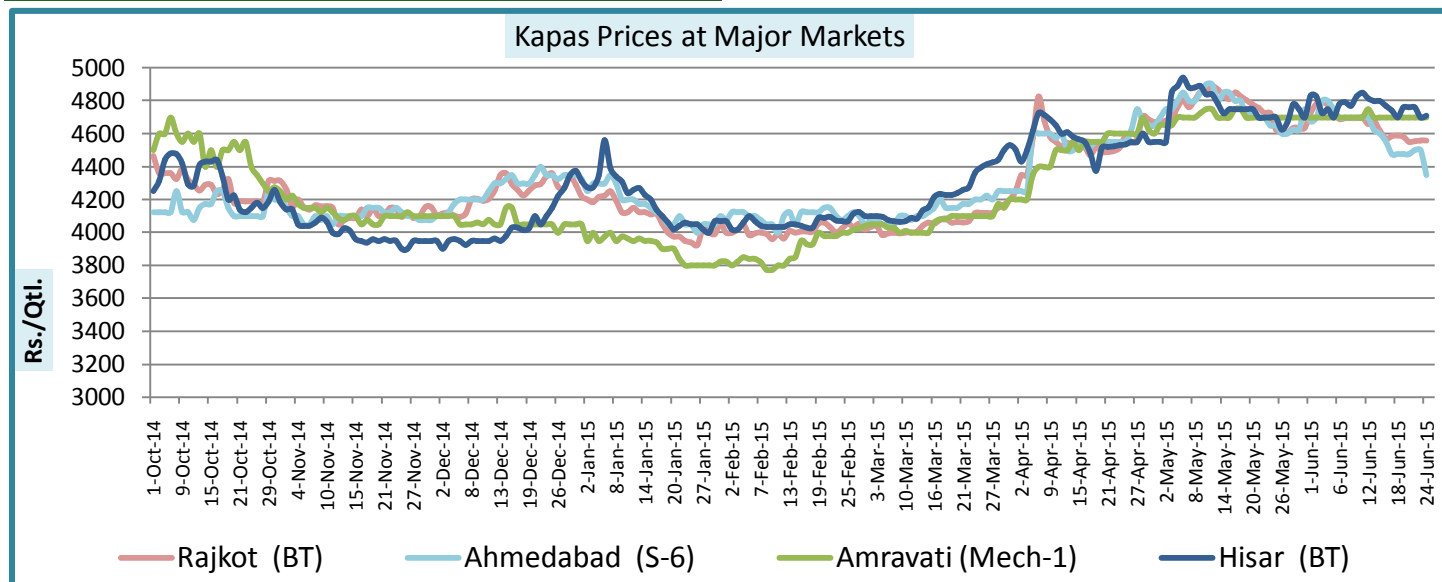
Domestic Cotton Prices

Cotton Prices at Key Spot Centers:

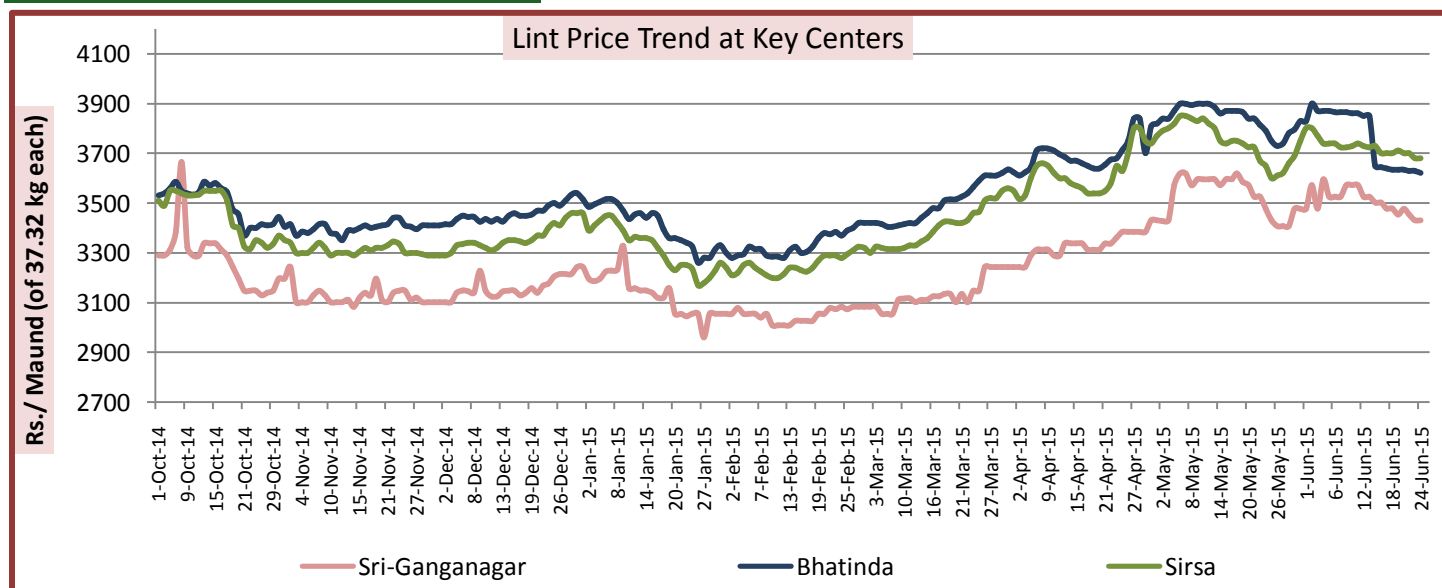
Centre	Variety	Weekly Average Prices as on		Change
		25th June 2015	18th June 2015	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4700	4710	-10
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	4550	4620	-70
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4600	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4745	4700	45
Adampur	B.T. Cotton	4735	4770	-35
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar	B.T. Cotton	NA	4750	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
	Kapas			
Ahmedabad	Shankar-6	4425	4590	-165
Gondal	Shankar-6	4550	4580	-30
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4670	4645	25
Guntur	Un-Ginned	4050	4060	-10
Kurnool	Un-Ginned	4000	4070	-70
Krishna	Un-Ginned	4050	4140	-90
East Godavari	Un-Ginned	4050	4050	Unch
	Lint	Rs/Maund (of 37.32 Kg. each)		
Abohar	J-34	3820	3840	-20

Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3825	3710	115
Sirsa	J-34	3685	3715	-30
Sri-Ganganagar	J-34	3445	3500	-55

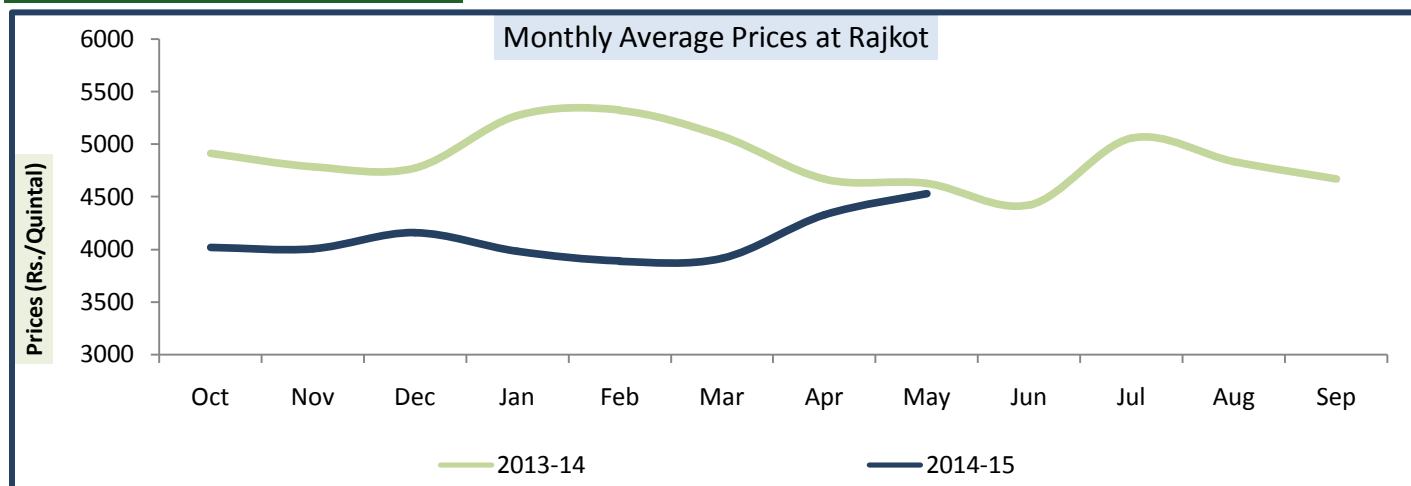
Price Trend of Kapas (Seed Cotton) at Key Centers:



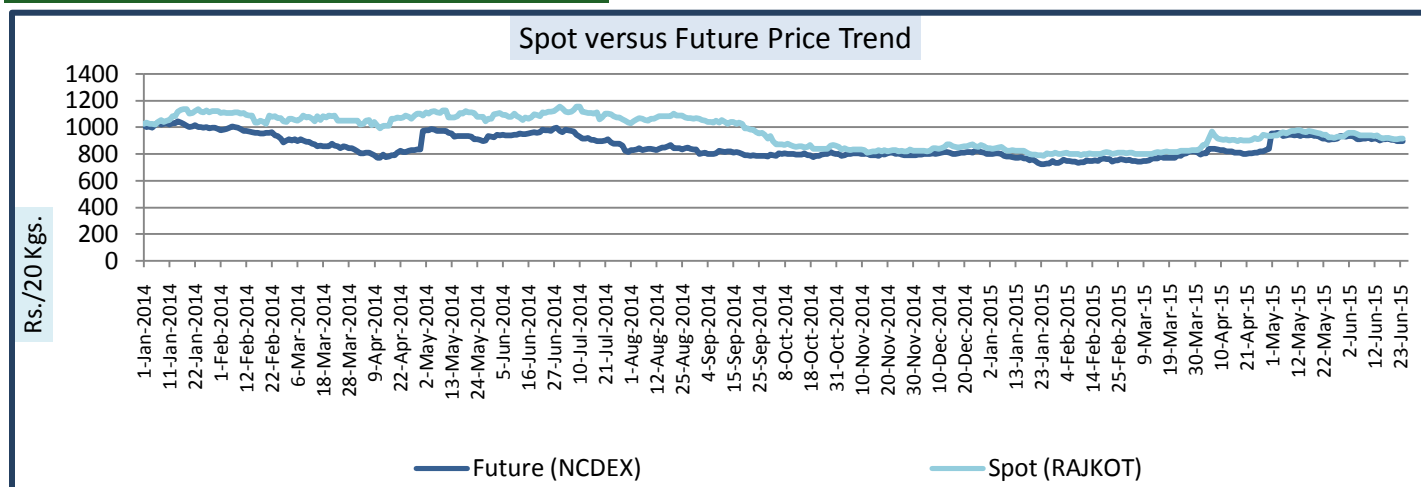
Price Trend of Lint at Various Centers:



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
				24 June 2015	17 June 2015	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	34600	34900	-300
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	35100	35400	-300
J-34(202)	26mm	3.5 - 4.9	23	35180	35360	-180
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33020	33380	-360
Shankar-6(105)	29mm	3.5 - 4.9	28	33680	34240	-560
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35060	35820	-760
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36060	36800	-740
DCH-32(107)	34mm	3.0 - 3.8	33	44000	44100	-100

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

Cotton Arrivals at Key Centers:

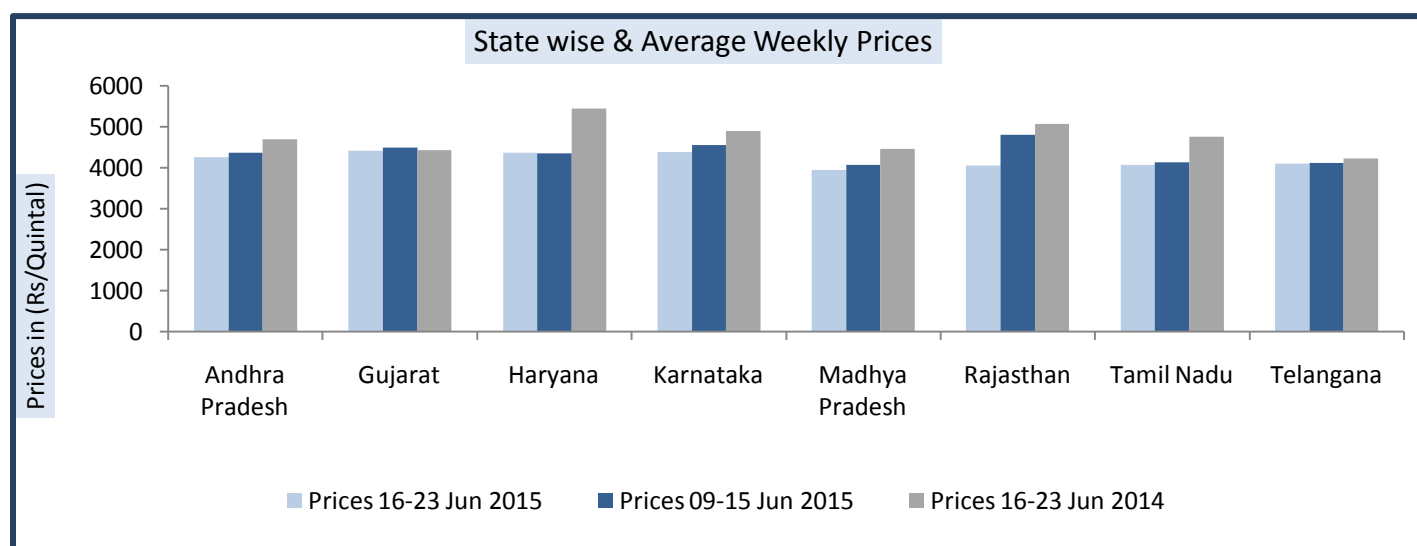
Centre	Variety	Weekly Sum Arrivals (Qtl)		Change
		25th June 2015	18th June 2015	
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	NA	NA	-
Khargaone	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	NA	NA	-
Rajkot	B.T. Cotton	3092	2277	815
Patan	B.T. Cotton	NA	NA	-
Deesa	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	30	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	NA	NA	-
Adampur	B.T. Cotton	NA	NA	-
Fatehabad	B.T. Cotton	NA	NA	-
Dabwali	B.T. Cotton	NA	NA	-
Jind	B.T. Cotton	NA	NA	-
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	NA	NA	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	NA	-
Ahmedabad	Shankar-6	4250	20060	-15810
Gondal	Shankar-6	582	951	-369
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	1874	1386	488
Guntur	Un-Ginned	1	5	-4
Kurnool	Un-Ginned	NA	5	-
Krishna	Un-Ginned	1	3	-2
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	NA	-
Bhatinda	J-34	NA	NA	-
Sirsa	J-34	136	213	-77
Sri-Ganganagar	J-34	NA	NA	-

State wise Scenario

State wise Weekly Prices (Rs./Qtl.)

State	Prices 16-23 Jun 2015	Prices 09-15 Jun 2015	Prices 16-23 Jun 2014	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4256.53	4356.03	4690.67	-2.28	-9.26
Gujarat	4416.47	4490.77	4429.5	-1.65	-0.29
Haryana	4361.65	4346.9	5434.01	0.34	-19.73
Karnataka	4386.32	4549.05	4893.9	-3.58	-10.37
Madhya Pradesh	3944.12	4074.23	4463.35	-3.19	-11.63
Rajasthan	4056	4802.69	5071.43	-15.55	-20.02
Tamil Nadu	4073.35	4125.39	4758.27	-1.26	-14.39
Telangana	4092.34	4111.3	4216.39	-0.46	-2.94
Average	4198.35	4051.71	4716.72		

Source:Agmarknet

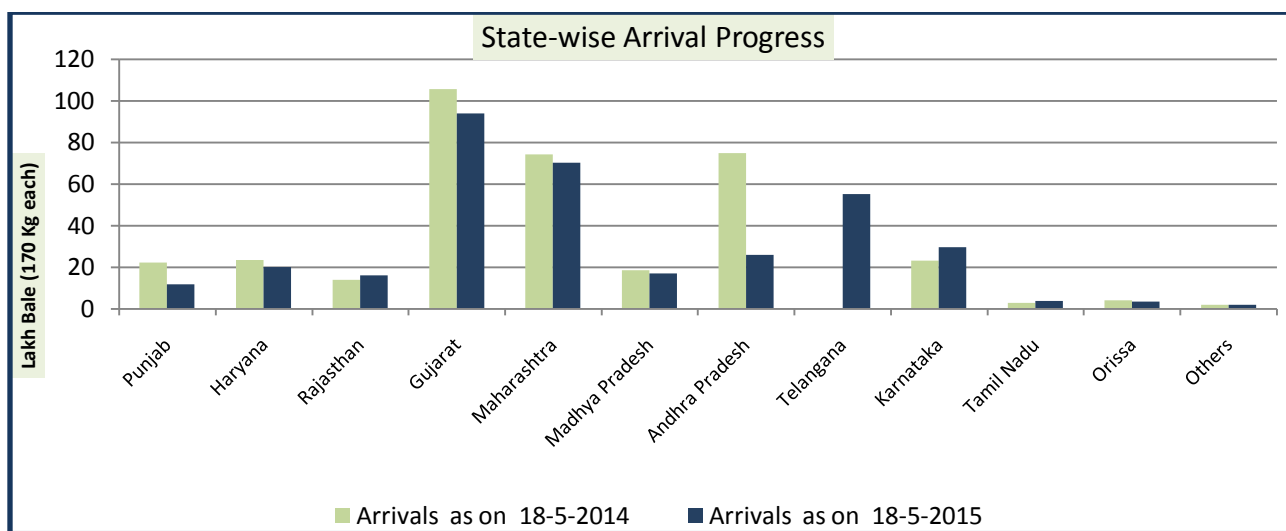


State wise Arrivals (in lakh bales of 170 kgs each):

Table given below shows 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
	31-03-2015	18-05-2015	13-10-2014	18-05-2014
1. Punjab	14	11.67	21	22.2
2. Haryana	25	19.86	24	23.37
3. Rajasthan	17	15.99	14	13.93
North Total	56	47.52	59	59.5
4. Gujarat	108	93.96	124	105.65
5. Maharashtra	83	70.21	84	74.09
6. Madhya Pradesh	18	17.01	19	18.58
Central Total	228	181.18	227	198.32
7. Andhra Pradesh	27	25.71	78	74.88
8. Telangana	57	55.23	--	--
9. Karnataka	30	29.62	23	23.16
10. Tamil Nadu	5	3.66	5	2.72
South Total	119	114.23	106	100.77
11. Orissa	4	3.45	4	4.05
12. Others	2	2	2	1.85
Total	6	5.45	6	5.9
Grand Total	390	348.37	398	364.48

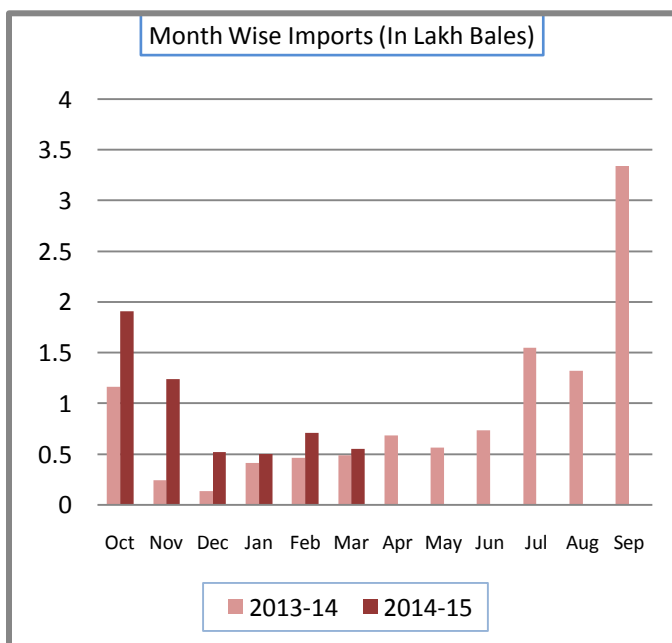
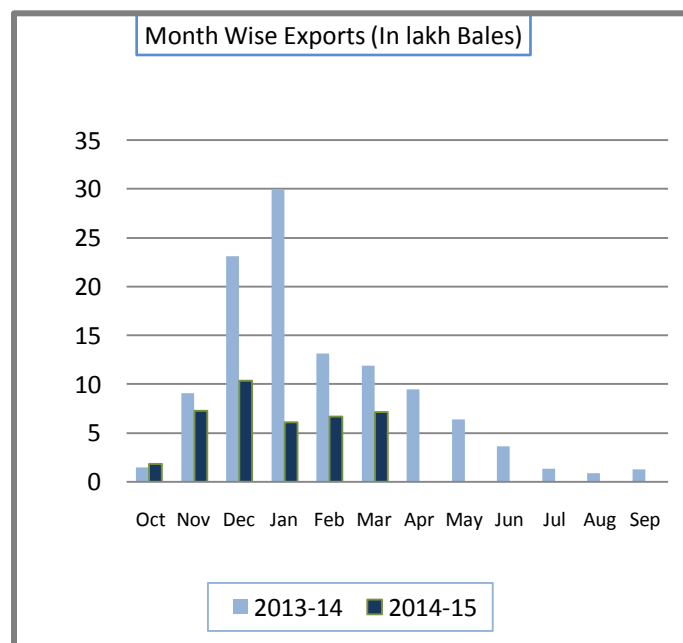
* Inclusive of new crop arrivals in September 2014
** Quantity in lakh bales (of 170 kgs. each)



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

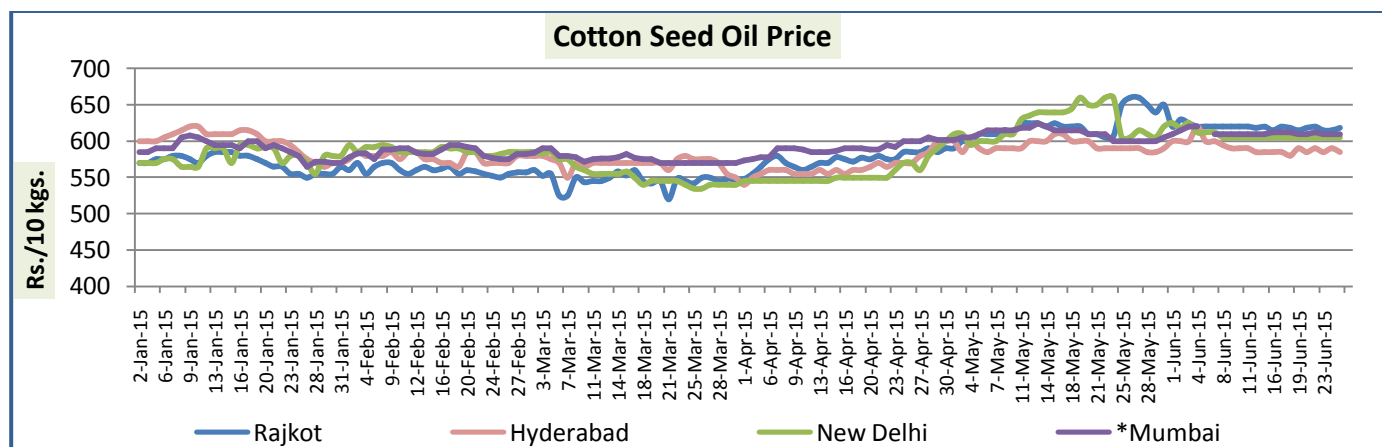
Export/Import	15-21 June 2015	08-14 June 2015
Export (In lakh Bales)	0.439	0.449
Import (In lakh Bales)	0.297	0.259

Source: IBIS

Cotton Seed Oil and Cotton Seed Oil Cake

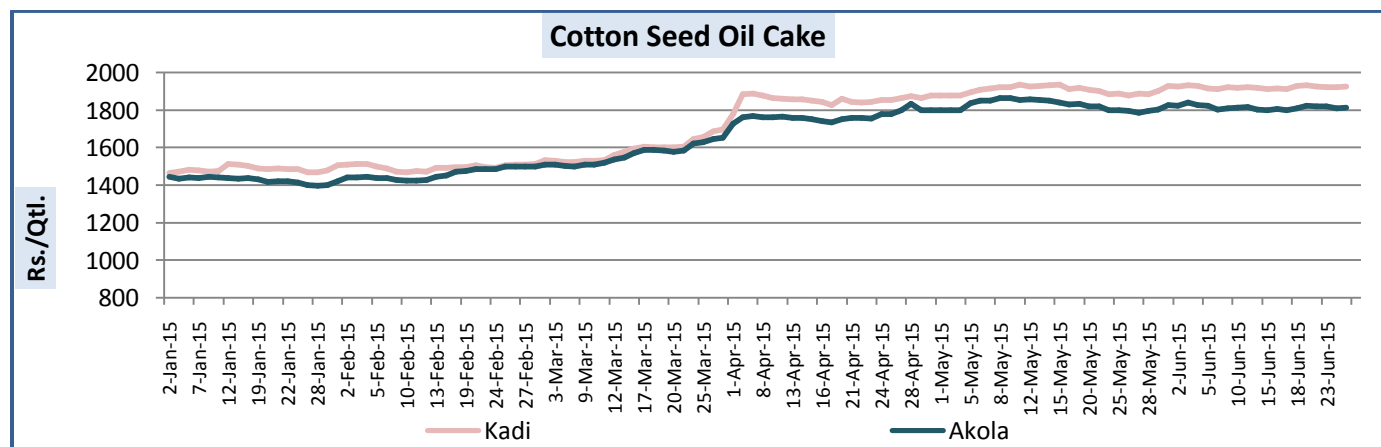
Cotton Seed Oil at Key Centers:

Centers	Weekly Average Price as on (Rs./10 kgs.)		% Change
	24-June-15	18-June-15	
New Delhi	605	605	0.00
Rajkot	617	618	-0.16
Hyderabad	588	584	0.68
Mumbai*	610	611	-0.16
*Vat Included			



Cotton Seed Oil Cake at Key Centers:

Centers	Weekly Average Price as on (Rs./Qtl.)*		% Change
	24-June-15	18-June-15	
Kadi	1924.8	1915.25	0.50
Akola	1816.4	1802.25	0.79



*Source: NCDEX

International Market Scenario

International cotton prices remained dull during the week. Cotlook A index weekly average stood 71.75 cents/pound this week, which was 71.93 cents/pound during last week.

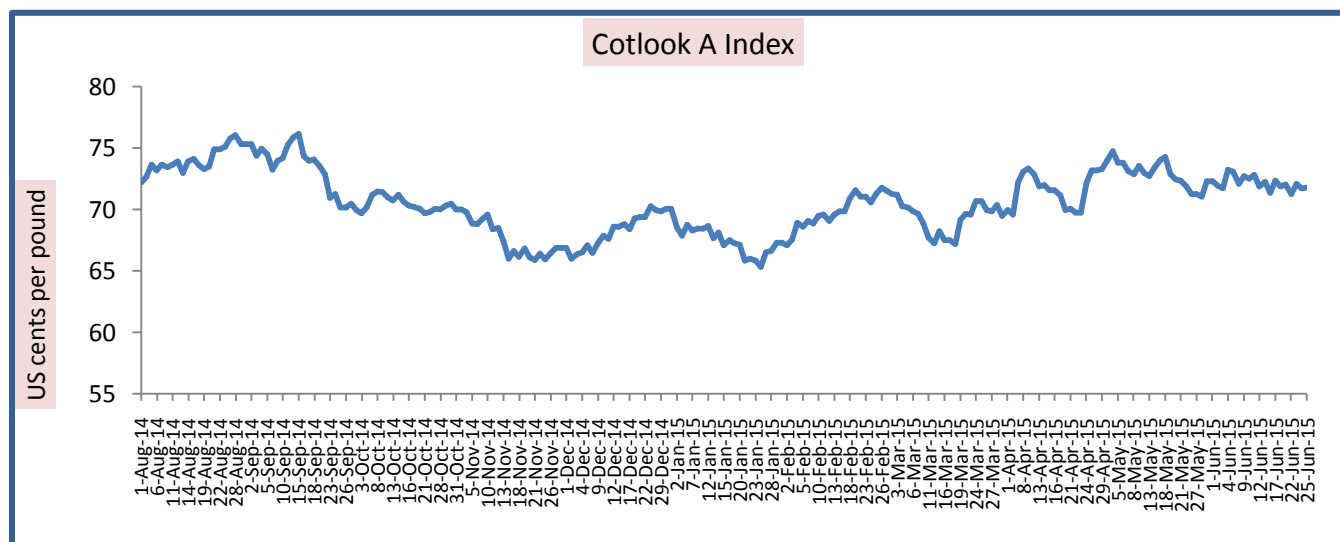
Around 94% of cotton planting has been completed in USA as on June 21 this year, which was 91% last week and 99% last year on same date, according to USDA. The five year average sowing progress is 100% as on date.

In the month of May, China imported 163,000 tons of cotton, around 14.8 percent lower as compared to the imports during the same month in 2014. China cotton imports has fallen drastically this year after the country announced that it would restrict low-tariff quotas to 894,000 tons, the amount agreed with World Trade Organization.

World cotton production estimates for the season 2015-16 has been upwardly revised by USDA. Cotton production on global front is likely to stand around 24.238 million tons in the coming season around 0.07% higher when compared to the estimates of previous month which was 24.222 million tons and around 6.34% lower when compared to the production of current month.

In its June estimates, USDA lowered the world cotton exports estimates for the season 2015-16 by around 0.42% to 7.36 million tons as compared to the estimates of previous month which was 7.329 million tons. The export during the season 2015-16 would be around 1.06% lower when compared to the export of current season and around 15.65% lower when compared to the season 2013-14.

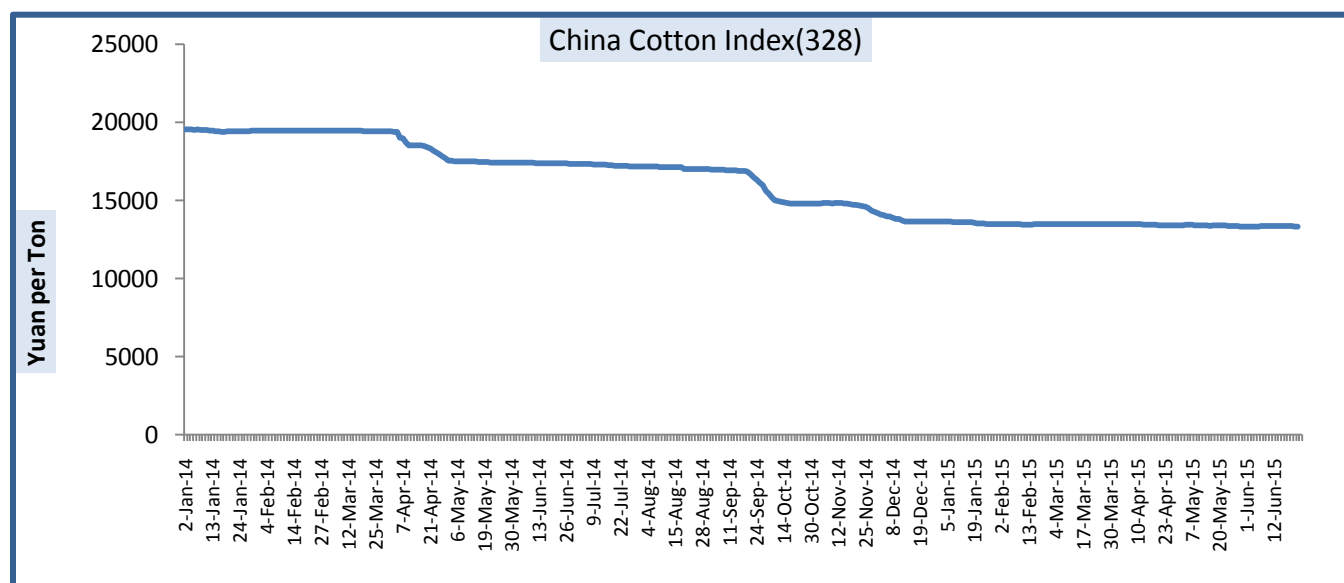
USDA has revised the import estimates of China for the season the 2014-15 at 1.742 million tons in June which was estimated 1.676 million tons earlier in May this season. USDA expects the increase in China cotton imports as the country is carrying the strong demand for high grades of cotton which it will source from other countries.



International Prices and Indices

China Cotton Index:

CC Indices	Weekly Average Price as on		% Change
	24-June-15	18-June-15	
CC Index(229)	14007	14009	-0.01
CC Index(328)	13315	13335	-0.15
CC Index(527)	12468	12199	2.21
Prices in Yuan per Ton			

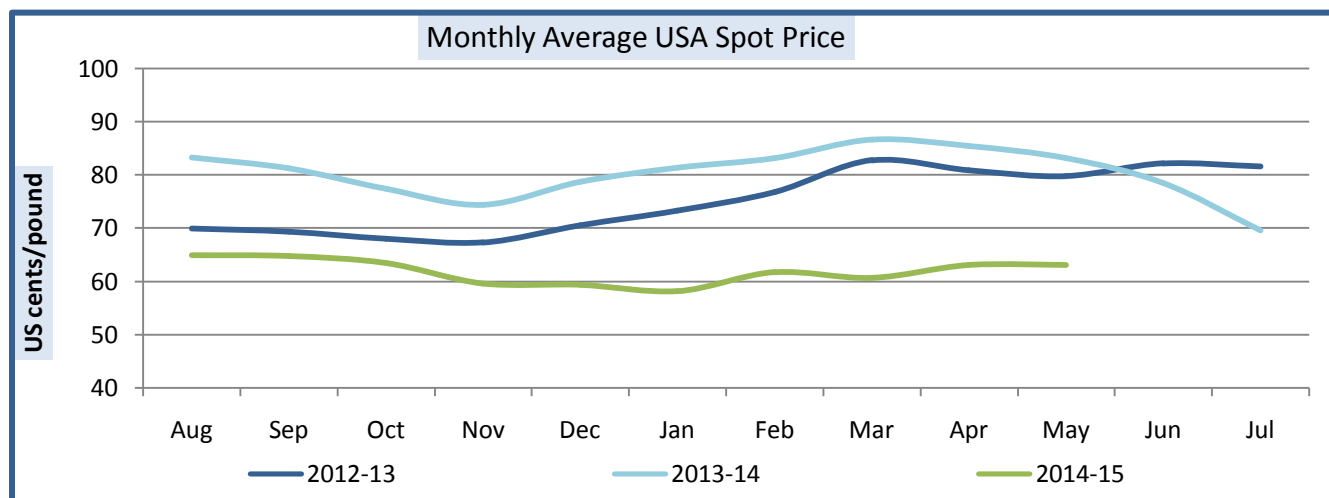


Cotlook A Index:

Cotlook A Index	Weekly Average Price as on		% Change
	24-June-15	18-June-15	
Prices	71.75	71.93	-0.25
Prices in US cents per Pound			

USA Spot Prices:

USA Spot Prices	Weekly Average Price as on		% Change
	24-June-15	18-June-15	
Prices	62.47	62.55	-0.13
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	72.86	-21.40
June	90.89		
July	83.83		

Cotton Futures (ICE):

Contracts	25-June-2015	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Jul-15	64.88	64.08	63.30	78.57	1.25	2.50	-17.42
Oct-15	65.61	65.88	65.22	--	-0.41	0.60	--
Dec-15	65.38	64.72	64.38	--	1.02	1.55	--
Mar-16	65.18	64.68	64.63	--	0.77	0.85	--
May-16	65.39	65.01	65.02	--	0.58	0.57	--
Jul-16	65.7	65.43	65.44	--	0.41	0.40	--

Figures in US cents per pound

Cotton Futures

Technical Analysis of Cotton Future (April'16 Contract) at NCDEX:



Weekly Technical Outlook:

- Candlesticks denote overall bearish momentum in the future market.
- RSI is moving in the neutral region.
- Prices are hovering below the 18 days EMA.
- MACD centerline is moving in negative territory.
- We expect cotton prices to remain range bound to firm.

Expected Price Range During Coming Week.

Expected Trend	Expected Trading Band
Range Bound to Bullish Momentum	900-925

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
895	890	935	940

Figures in Rs. per 20Kgs.

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

Weekly Technical Outlook:

- Candlesticks denote range bound momentum in the prices.
- Prices are hovering above the 4, 9 and 18 days SMA.
- RSI is moving in neutral region.
- MACD denotes weak centerline and signal line movement.
- Volume and Open Interest are depleting.
- We expect prices to remain in range with firm biasness.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range Bound to Bullish Momentum	64.60-66.60

Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
64.00	63.60	67.00	67.60

Figures in US cents per pound

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