

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mostly firm tone on Tuesday.

In The News: Due to the white fly attack, cotton crop in Punjab and Haryana is likely to fall by around 40% collectively this season, according to the market participants. Cotton output in Punjab would stand around 7 Lakh bales in the current season, against the output of 14 Lakh bales in previous season. Similarly in Haryana cotton production would be around 15 lakh bales in the current season as compared to the 25 Lakh Bales in previous season.

According to the October estimates of ICAC (International cotton advisory committee), cotton production in India is likely to be around 6.37 million ton (375 lakh bales of 170 kg each) in 2015-16, around 2.15% lower when compared to the estimates production of 6.51 million tons (383 lakh bales) in 2014-15.

Pointing towards the lower acreage under cotton this year, CCI's chairman, BK Mishra, said that the cotton production in 2015-16 would be nearly 5-10 lakh bales lower than the previous year's production. He believes that the cotton output in country would be around 370 lakh bales in the current season.

Cotton sowing area as on 01 October recorded at 116.4 lakh hectares throughout the country, according to the data released by the Ministry of Agriculture. The current acreage under cotton is around 8% lower when compared to the acreage at the same time last year and around 1.2% higher when compared to the normal area during the season. According to the first advance estimates by Ministry of Agriculture, the final acreage of cotton during 2015-16 would stand around 116.9 lakh hectares.

In anticipation of good crop this year too, Cotton Corporation of India (CCI) has started its preparation for the procurement under MSP operation. However the agency believe that, due to better prices of cotton prevailing in market, cotton procurement would remain weaker this year by around 30-40 lakh bales against the 87 lakh bales in 2014-15

Ministry of Agriculture has informed Prime Minister office that as Monsanto's patent on Cry 1 gene has expired in 2102 in USA, CICR (Central Institute of Cotton Research)can go ahead to develop the native variety of Bt cotton which can reduce the seed cost of cotton farmers. The domestically developed variety would be available at Rs 150 per kilogram as compared of Rs 2000 per kilogram per kilogram sold by Monsanto.

Indian Cotton Federation (ICF) believes that the cotton output in country would be around 385 lakh bales in 2015-16, same as the current year's output. Considering the situation, we expect prices to rule sideways to slightly weak as stocks are standing in surplus position.

As cotton exports has witnessed steep fall in this season, the cotton textile exporters want the government to accelerate free trade agreement with major overseas buyers including European Union, Australia and Canada in order to widen the export opportunity channel. Although the Indian cotton and cotton textile has been proved price-competitive, but the preference has been given to countries like Bangladesh, Cambodia, Pakistan, South-Korea, Turkey and Vietnam.



International Fundamentals:

USDA has further slashed down the world cotton production estimates in its latest release. It believes that the global cotton output would be around 23.38 million tones in 2015-16, around 1.25% lower when compared to the previous estimates for the same season and around 10% lower when compared to the estimates for last year production of 25.89 million tones.

World cotton consumption estimates are revised downward in the latest estimates by USDA. According to USDA, world cotton consumption would be around 24.44 million tones in the current season i.e. 2015-16, around 1% lower when compared to the estimates of previous month and around 1.6% higher when compared to the estimates of previous season, which stood at 24.05 million tons.

Due to the downward revision in the export and consumption figures, the estimates for ending stocks for the season has been surged up slightly in the latest projections released by USDA. It is believed that the ending stocks by the end of season 2015-16 would be around 23.29 million tons around 0.67% higher when compared to the estimates of previous month i.e. 23.135 million tons and 4.3% lower when compared to estimates of previous season.

Outlook

We expect domestic prices to remain range bound to weak in the near -term.

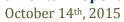
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	0	860.5	860.5	860.5	860.5	1		2	
Apr-16	-1	905	907	893	902	9130	12954	9065	11199
Spread		Feb-1	L 6		Apr-16				
Spot		65.5							
Feb-16					-41.5				

MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-15	40	16160	16300	16150	16250	578	43	1410	0
Nov-15	10	15900	15990	15880	15940	599	-185	1791	55
Dec-15	10	15880	15950	15840	15910	623	-472	5338	261
Jan-16	80	15980	16090	15970	16090	131	-103	1185	105

Spread	Oct-15	Nov-15	Dec-15	Jan-16	
Spot					
Oct-15		310			
Nov-15			30		
Dec-15				-180	
Jan-16					

(NB: Spread Basis = Spot- Near Month Future) *Updated at 5:00 pm on 13 October 2015

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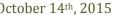




DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Centre	Variety	Pri	ces	Change	
Genue	variety	13-Oct-15			
	Kapas	(Rs.	/QtI)		
Amravati	Mech-1	4900	4800	100	
Khandwa	Mech-1	Closed	NA	-	
Khargaon	Mech-1	Closed	NA	-	
	Kapas				
Mahesana(Kadi)	B.T. Cotton	4525	4500	25	
Rajkot	B.T. Cotton	4630	4590	40	
Patan	B.T. Cotton	NA	NA	-	
Deesa	B.T. Cotton	NA	NA	-	
Dhrol	B.T. Cotton	4655	4535	120	
Muktsar	B.T. Cotton	NA	NA	-	
Fazilika	B.T. Cotton	NA	NA	-	
Bhiwani	Desi	NA	NA	-	
Bhiwani	B.T. Cotton	4600	4520	80	
Adampur	B.T. Cotton	4540	4450	90	
Fatehabad	B.T. Cotton	4550	4450	100	
Dabwali	B.T. Cotton	4500	4450	50	
Jind	B.T. Cotton	4673	4658	15	
Uchana (Jind)	B.T. Cotton	NA	NA	-	
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	Closed	-	
Hubli	B.T. Cotton	NA	NA	-	
Hathras	B.T. Cotton(US)	4150	4050	100	
Hanumangarh	B.T. Cotton	4600	4600	Unch	
	Kapas				
Ahmedabad	Shankar-6	4625	NA	-	
Gondal	Shankar-6	4830	4655	175	
	Kapas				
Jamner (Jalgaon)	Medium Staple	NA	NA	-	
Hathras	Desi	4400	4050	350	
Bijapur	Bunny	NA	NA	-	
Hubli	D.C.H.	NA	NA	-	
Raichur	H-44 Cotton	4180	NA	-	
Guntur	Un-Ginned	NA	NA	-	
Kurnool	Un-Ginned	NA	NA	-	
Krishna	Un-Ginned	NA	NA	-	
East Godavari	Un-Ginned	4050	4050	Unch	
	Lint		laund		
Abohar	J-34	3530	3510	20	
Muktsar	J-34	NA	NA	-	
Fazilika	J-34	NA	NA	-	
Bhatinda	J-34	3525	3510	15	





Sirsa	J-34	3430	3420	10
Mansa	J-34	3520	NA	-
Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arriva	Change	
Centre	variety	13-Oct-15	12-Oct-15	Change
Amravati	Mech-1	NA	NA	-
Khandwa	Mech-1	Closed	NA	-
Khargaon	Mech-1	Closed	NA	-
Mahesana(Kadi)	B.T. Cotton	7000	6000	1000
Rajkot	B.T. Cotton	1310	1825	-515
Patan	B.T. Cotton	NA	NA	-515
Deesa	B.T. Cotton	NA NA	NA NA	
Deesa	B.T. Cotton	404	301	103
Fazilika	B.T. Cotton	NA	NA NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	Desi*	NA	NA Taba	-
Bhiwani	B.T. Cotton	10000	5000	5000
Adampur	B.T. Cotton	340	340	Unch
Fatehabad	B.T. Cotton	1000	700	300
Dabwali	B.T. Cotton	900	1250	-350
Jind	B.T. Cotton	170	204	-34
Uchana (Jind)	B.T. Cotton	NA	NA	-
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	NA	-
Hubli	B.T. Cotton	NA	Closed	-
Hathras	B.T. Cotton(US)	800	350	450
Hanumangarh	B.T. Cotton	1000	400	600
Ahmedabad	Shankar-6	17000	NA	-
Gondal	Shankar-6	1414	1782	-368
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	1600	1200	400
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	240	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Ababar	1.04	950	950	llnah
Abohar	J-34 J-34	850 4250	850 4250	Unch Unch



Sirsa	J-34	1190	1360	-170
Mansa	J-34	680	NA	-
Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Ctople	Micronaire	Strength/	Rs. Per Candy		Change
rade Name	Staple	Wilcionane	GPT	12-Oct-15	9-Oct-15	Change
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30300	30000	300
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30800	30500	300
J-34(202)	26mm	3.5 - 4.9	23	32200	31900	300
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31500	31400	100
Shankar-6(105)	29mm	3.5 – 4.9	28	32700	32400	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32900	32600	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33800	33600	200
DCH-32(107)	34mm	3.0 - 3.8	33	45000	44500	500

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Prid	Change	
Centre	Offic	13-Oct-15	12-Oct-15	Change
Rajkot	Rs. /10 Kg.	640	635	5
New Delhi	Rs. /10 Kg.	598	598	Unch
Hyderabad	Rs. /10 Kg.	620	610	10
Mumbai	Rs. /10 Kg.	635	640	-5

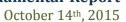
Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Pric	Chango	
Centre	Offic	13-Oct-15	12-Oct-15	Change
Mahesana (Kadi)	Rs./Qtl	2103	2085	18
Akola	Rs./Qtl	1952	1938	14

INTERNATIONAL PRICES AND INDICES

Index	RMB/Ton	Change
CCIndex(328)	13067	2
CCIndex(527)	11973	Unch
CCIndex(229)	13635	8





China Foreign Cotton (FC) Index : As on 13/10/2015		
Index	Cents/lb	Change
FC Index (S)	74.31	-0.24
FC Index (M)	69.01	-0.16
FC Index (L)	67.67	-0.06

Cotlook Index: As on 12/10/2015				
Cotlook Indices	Cents/Pound	Change		
A-Index	68.40	Unch		

USDA Cotton Spot Rates: As on 9/10/2015			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	61.61	64.86	NIL
North Delta	60.86	63.61	NIL
South Delta	60.86	63.61	NIL
East TX-OK	59.50	61.75	1771
West Texas	58.50	60.75	561
Desert SW	58.61	65.11	NIL
SJ Valley	59.61	69.51	NIL

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per Tex and uniformity 80.5 to 81.4

ICE Cotton Futures (Prices in cents/lb.): As on 12/10/2015					
Contract	Open	High	Low	Close	Change
15-Dec	61.82	62.19	61.51	61.69	0.08
16-Mar	61.76	62.00	61.49	61.67	0.14
16-May	62.31	62.37	62.03	62.04	-0.06
16-Jul	62.63	62.65	62.39	62.39	-0.09
16-Oct	62.14	62.14	62.14	62.14	-0.15
16-Dec	62.53	62.53	62.18	62.32	-0.13

Pakistan Cotton Spot rates: As on 12/10/2015 (in Pakistan Rupees)				
Product	Rate for	Ex-Gin Price Up Country Sales		Spot Rate Karachi
Cotton	37.32 Kgs	5200	135	5335
Equivalent	40 Kgs	5573	145	5718





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