

Domestic Fundamentals:

Market Outlook: Most of the markets remained closed today following “Govardhan Puja”.

In The News: Cotton production in India during the season 2015-16 according to USDA would be around 6.205 million tons (approx. 365 lakh bales), around 3.5% lower when compared to the production of previous season which was 6.423 million tons (approx. 377.8 Lakh bales).

Cotton exports during the very first month of the season, i.e. October stood 4.63 lakh bales, around 33.5% higher as compared to the export during the previous month and around 2.5 times higher as compared to the exports during the same month previous season, according to IBIS data, compiled by Agriwatch. Imports in October was 0.92 lakh bales around 48.5% lower when compared to the imports in previous month and around 54% lower compared to the imports during the same period last season.

Maharashtra government has started the cotton procurement in state under MSP scheme via Maharashtra State Cooperative Cotton-Growers Marketing Federation. So far only three centers are operating in state but the numbers are likely to reach 17 shortly and it may reach to 96 if CCI outsources its duty to the federation. The chairperson said that during the previous season they procured only 27 Lakh quintal of cotton, but this year they may buy up to 100 lakh quintal.

Despite the expectation of higher production this year, Cotton prices in Maharashtra are ruling above the MSP of Rs 4100 per quintal. According to the market participants, private traders have bought around 1.5 Lakh quintal of cotton from the farmers at the prices of Rs 4150-4450 per quintal.

The government of India will screen each variety of Bt hybrid cotton seed in order to identify the white-fly resistant variety so that it can tell the private seed producer to focus on these particular variety and to save other crop including vegetables from being infected which are grown nearby cotton crop.

Despite the drastic fall in import expectation from China, India is likely to export more cotton this year as compared to the previous. According to the government official, India is likely to export 68 lakh bales of cotton this year, around 18% higher when compared to the previous season as Asian countries Bangladesh, Pakistan and Vietnam are expected to import more cotton.

According to Textile Commissioner, Kavita Gupta, cotton production in the country would be around 365 lakh bales in the season 2015-16, around 4% lower when compared to the production of previous year. She believes that the cotton exports would be around 68 lakh bales, around 18% higher when compared to the previous season. Due to the lower production and higher export the ending stocks in the current season would be standing around 38 lakh bales, around 27% lower when compared to the ending stock of previous season.

Cotton Corporation in India (CCI) has not started the procurement under MSP operation in Punjab. Also CCI got direction from Union Textile Minister, Santosh Gangwar to start procurement in the state, as to insure the genuine remuneration to the cotton farmers as they are already lost a large share of their crop to white fly attack, but until now there are no such operation by CCI, said farmers who are selling their crops to private traders.

International Fundamentals:

World cotton production estimates for season 2015-16 has been revised downward by USDA to 22.99 million tons from 23.38 million tons a month earlier. According to USDA, global cotton output stood at 25.89 million tons in season 2014-15.

Global cotton imports estimates for season 2015-16 has been revised upward by USDA to 7.479 million tons as compared to the estimate of 7.445 million tons a month earlier. It should be noted that world cotton imports would be standing around 4% lower as compared to the imports of previous season, which was 7.796 million tons.

The highest growth rate in cotton export among the major cotton exporter is expected to be seen in Mali during the season 2015-16, according to USDA. The country is likely to export 239 thousand tons of cotton during the current season, around 47% higher when compared to the exports during the previous season which was 163 thousand tons.

Outlook

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

NCDEX Kapas Futures*: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	--	--	--	--	--	--	--	--	--
Apr-16	4.5	869	873.5	869	873	1834	-1440	14840	-361
Spread	Feb-16		Apr-16						
Spot	--		-15						
Feb-16	--		--						

(NB: Spread was done by taking avg. spot prices at Rajkot – B.T. Cotton market. Basis = Spot- Near Month Future)

*Updated at 4:00 pm on 10 November 2015

MCX Cotton Futures*: (Prices in Rs/170 kgs)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	70	15790	15830	15740	15810	462	-31	2409	-131
Dec-15	60	15880	15920	15830	15890	651	-288	6603	-187
Jan-16	60	16020	16040	15950	16020	98	-192	2071	6
Jan-16									
Spread	Nov-15	Dec-15	Jan-16	--	--	--			
Spot	--								
Nov-15		-80							
Dec-15			-130						
Jan-16				--					
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(NB: Spread Basis = Spot- Near Month Future)

*Updated at 4:00 pm on 10 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		12-Nov-15	10-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	Closed	4200	-
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	Closed	4300	-
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	Closed	NA	-
Dhrol	B.T. Cotton	Closed	NA	-
Muktsar	B.T. Cotton	Closed	Closed	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4700	4750	-50
Bhiwani	B.T. Cotton	4400	4440	-40
Adampur	B.T. Cotton	Closed	4300	-
Fatehabad	B.T. Cotton	Closed	4300	-
Dabwali	B.T. Cotton	Closed	NA	-
Jind	B.T. Cotton	4399	NA	-
Uchana (Jind)	B.T. Cotton	4430	4450	-20
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	4225	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	Closed	4000	-
Hanumangarh	B.T. Cotton	Closed	Closed	-
	Kapas			
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal	Shankar-6	Closed	Closed	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	Closed	4150	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4100	NA	-
	Lint	Rs./Maund (of 37.32 kg each)		
Abohar	J-34	Closed	Closed	-
Muktsar	J-34	Closed	Closed	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	Closed	3455	-
Sirsa	J-34	Closed	3400	-
Mansa	J-34	Closed	Closed	-

Sri-Ganganagar	J-34	Closed	Closed	-
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Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		12-Nov-15	10-Nov-15	
Amravati	Mech-1	Closed	13000	-
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	Closed	35000	-
Rajkot	B.T. Cotton	Closed	Closed	-
Patan	B.T. Cotton	Closed	Closed	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	Closed	Closed	-
Bhiwani	Desi	Closed	200	-
Bhiwani	B.T. Cotton	200	3000	-2800
Adampur	B.T. Cotton	Closed	1020	-
Fatehabad	B.T. Cotton	Closed	175	-
Dabwali	B.T. Cotton	Closed	NA	-
Jind	B.T. Cotton	170	NA	-
Uchana (Jind)	B.T. Cotton	1000	1000	Unch
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	200	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	Closed	Closed	-
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal	Shankar-6	Closed	Closed	-
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	NA	Closed	-
Bhatinda	J-34	NA	2040	-
Sirsa	J-34	NA	850	-
Mansa	J-34	NA	Closed	-
Sri-Ganganagar	J-34	NA	Closed	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				10-Nov-15	9-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30600	30600	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	31100	31100	Unch
J-34(202)	26mm	3.5 - 4.9	23	31700	31800	-100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31300	31300	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	32100	32100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32300	32300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33200	33200	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotton Seed Oil Prices
Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		12-Nov-15	10-Nov-15	
Rajkot	Rs. /10 Kg.	Closed	585	-
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	Closed	570	-
Mumbai	Rs. /10 Kg.	Closed	585	-

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

Centre	Unit	Price		Change
		12-Nov-15	10-Nov-15	
Mahesana (Kadi)	Rs./Qtl	Closed	NA	-
Akola	Rs./Qtl	Closed	NA	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 10/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12972	-9
CCIndex(527)	11889	-1
CCIndex(229)	13602	-1

China Foreign Cotton (FC) Index : As on 12/11/2015

Index	Cents/lb	Change
FC Index (S)	73.93	-0.15
FC Index (M)	69.86	-0.21
FC Index (L)	67.99	-0.25

Cotlook Index: As on 11/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.00	Unch

USDA Cotton Spot Rates: As on 9/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	62.65	65.90	1408
North Delta	61.65	64.40	NIL
South Delta	61.65	64.40	NIL
East TX-OK	59.00	61.00	1742
West Texas	59.25	61.50	846
Desert SW	58.90	65.40	450
SJ Valley	59.90	69.80	500

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 11/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	61.94	62.59	61.87	62.18	0.25
16-Mar	61.92	2-Mar	61.92	62.31	0.32
16-May	62.88	63.3	62.78	62.92	0.17
16-Jul	63.39	63.62	63.23	63.26	0.07
16-Oct	63.31	63.31	63.31	63.31	0.07
16-Dec	63.36	63.52	63.16	63.25	0.08

Pakistan Cotton Spot rates: As on 9/11/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5300	135	5435
Equivalent	40 Kgs	5680	145	5825

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