

## Domestic Fundamentals:

**Market Outlook:** Most of the markets remained closed following “*Bhaiyya Dooj*”

**In The News:** India exported 2.618 lakh bales of cotton last week (01 Nov-08 Nov 2015), which was 1.449 lakh bales previous to last week (26 Oct-01 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.192 lakh bales last week, which was 0.124 lakh bales previous to last week.

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.

### 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   | -15    | 855.5 | 855.5 | 840    | 842   | 6182   | 4348   | 14370 | -470   |
|          |        |       |       |        |       |        |        |       |        |
| Spread   | Feb-16 |       |       | Apr-16 |       |        |        |       |        |
| Spot     | --     |       |       | 16     |       |        |        |       |        |
| Feb-16   | --     |       |       | --     |       |        |        |       |        |

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

\*Updated at 5:00 pm on 13 November 2015

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

| Contract | +/-    | Open   | High   | Low   | Close | Volume | Change | OI   | Change |
|----------|--------|--------|--------|-------|-------|--------|--------|------|--------|
| Nov-15   | -110   | 15660  | 15690  | 15580 | 15600 | 468    | 6      | 2426 | 17     |
| Dec-15   | -110   | 15790  | 15820  | 15700 | 15720 | 894    | 243    | 6367 | -236   |
| Jan-16   | -120   | 15910  | 15930  | 15830 | 15840 | 211    | 113    | 2093 | 22     |
| Jan-16   |        |        |        |       |       |        |        |      |        |
|          |        |        |        |       |       |        |        |      |        |
| Spread   | Nov-15 | Dec-15 | Jan-16 | --    | --    | --     |        |      |        |
| Spot     | --     |        |        |       |       |        |        |      |        |
| Nov-15   |        | -120   |        |       |       |        |        |      |        |
| Dec-15   |        |        | -120   |       |       |        |        |      |        |
| Jan-16   |        |        |        | --    |       |        |        |      |        |
| --       |        |        |        |       |       |        |        |      |        |

(NB: Spread Basis = Spot- Near Month Future)

\* Updated at 5:00 pm on 13 November 2015

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Markets:**

| Centre                 | Variety         | Prices                              |           | Change |
|------------------------|-----------------|-------------------------------------|-----------|--------|
|                        |                 | 13-Nov-15                           | 12-Nov-15 |        |
|                        | <b>Kapas</b>    | <b>(Rs./Qtl)</b>                    |           |        |
| Amravati               | Mech-1          | Closed                              | Closed    | -      |
| Khandwa                | Mech-1          | NA                                  | NA        | -      |
| Khargaon               | Mech-1          | NA                                  | NA        | -      |
|                        | <b>Kapas</b>    |                                     |           |        |
| Mahesana(Kadi)         | B.T. Cotton     | Closed                              | Closed    | -      |
| Rajkot                 | B.T. Cotton     | Closed                              | Closed    | -      |
| Patan                  | B.T. Cotton     | Closed                              | Closed    | -      |
| Deesa                  | B.T. Cotton     | Closed                              | Closed    | -      |
| Dhrol                  | B.T. Cotton     | Closed                              | Closed    | -      |
| Muktsar                | B.T. Cotton     | Closed                              | Closed    | -      |
| Fazilika               | B.T. Cotton     | NA                                  | NA        | -      |
| Bhiwani                | Desi            | 4700                                | 4700      | Unch   |
| Bhiwani                | B.T. Cotton     | 4370                                | 4400      | -30    |
| Adampur                | B.T. Cotton     | Closed                              | Closed    | -      |
| Fatehabad              | B.T. Cotton     | 4300                                | Closed    | -      |
| Dabwali                | B.T. Cotton     | Closed                              | Closed    | -      |
| Jind                   | B.T. Cotton     | 4354                                | 4399      | -45    |
| Uchana (Jind)          | B.T. Cotton     | 4291                                | 4430      | -139   |
| Rawatsar (Hanumangarh) | B.T. Cotton     | 4200                                | Closed    | -      |
| Hubli                  | B.T. Cotton     | 4309                                | NA        | -      |
| Hathras                | B.T. Cotton(US) | Closed                              | Closed    | -      |
| Hanumangarh            | B.T. Cotton     | Closed                              | Closed    | -      |
|                        | <b>Kapas</b>    |                                     |           |        |
| Ahmedabad              | Shankar-6       | Closed                              | Closed    | -      |
| Gondal                 | Shankar-6       | Closed                              | Closed    | -      |
|                        | <b>Kapas</b>    |                                     |           |        |
| Jamner (Jalgaon)       | Medium Staple   | NA                                  | NA        | -      |
| Hathras                | Desi            | Closed                              | Closed    | -      |
| 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       | 4050                                | 4000      | 50     |
|                        | <b>Lint</b>     | <b>Rs./Maund (of 37.32 Kg each)</b> |           |        |
| Abohar                 | J-34            | Closed                              | Closed    | -      |
| Muktsar                | J-34            | Closed                              | Closed    | -      |
| Fazilika               | J-34            | NA                                  | NA        | -      |
| Bhatinda               | J-34            | 3450                                | Closed    | -      |
| Sirsa                  | J-34            | 3400                                | Closed    | -      |
| Mansa                  | J-34            | 3450                                | Closed    | -      |

|                |      |        |        |   |
|----------------|------|--------|--------|---|
| Sri-Ganganagar | J-34 | Closed | Closed | - |
|----------------|------|--------|--------|---|

**Cotton Arrivals in Key Centers:**

| Centre                 | Variety         | Arrivals (Qtl) |           | Change |
|------------------------|-----------------|----------------|-----------|--------|
|                        |                 | 13-Nov-15      | 12-Nov-15 |        |
| Amravati               | Mech-1          | Closed         | Closed    | -      |
| Khandwa                | Mech-1          | NA             | NA        | -      |
| Khargaon               | Mech-1          | NA             | NA        | -      |
|                        |                 |                |           |        |
| Mahesana(Kadi)         | B.T. Cotton     | Closed         | Closed    | -      |
| 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         | Closed    | -      |
| Bhiwani                | B.T. Cotton     | 200            | 200       | Unch   |
| Adampur                | B.T. Cotton     | Closed         | Closed    | -      |
| Fatehabad              | B.T. Cotton     | 600            | Closed    | -      |
| Dabwali                | B.T. Cotton     | Closed         | Closed    | -      |
| Jind                   | B.T. Cotton     | 425            | 170       | 255    |
| Uchana (Jind)          | B.T. Cotton     | 1600           | 1000      | 600    |
| Rawatsar (Hanumangarh) | B.T. Cotton     | Closed         | Closed    | -      |
| Hubli                  | B.T. Cotton     | 32             | NA        | -      |
| Hathras                | B.T. Cotton(US) | Closed         | Closed    | -      |
| 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             | NA        | -      |
| Bhatinda               | J-34            | 1700           | NA        | -      |
| Sirsa                  | J-34            | 510            | NA        | -      |
| Mansa                  | J-34            | 425            | NA        | -      |
| Sri-Ganganagar         | J-34            | NA             | NA        | -      |

**Cotton Association of India Spot Rates:**

| Trade Name                            | Staple | Micronaire | Strength/<br>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 |
|-----------|-------------|-----------|-----------|--------|
|           |             | 13-Nov-15 | 12-Nov-15 |        |
| Rajkot    | Rs. /10 Kg. | Closed    | Closed    | -      |
| New Delhi | Rs. /10 Kg. | 570       | 575       | -5     |
| Hyderabad | Rs. /10 Kg. | 570       | Closed    | -      |
| Mumbai    | Rs. /10 Kg. | 585       | Closed    | -      |

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

| Centre          | Unit    | Price     |           | Change |
|-----------------|---------|-----------|-----------|--------|
|                 |         | 13-Nov-15 | 12-Nov-15 |        |
| Mahesana (Kadi) | Rs./Qtl | NA        | Closed    | -      |
| Akola           | Rs./Qtl | NA        | Closed    | -      |

**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 13/11/2015**

| 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 12/11/2015**

| Cotlook Indices | Cents/Pound | Change |
|-----------------|-------------|--------|
| A-Index         | 69.20       | 0.20   |

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

| Growth Area | Leaf 4 to<br>Staple 34 | Leaf 3 to Staple<br>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 12/11/2015**

| Contract | Open  | High  | Low   | Close | Change |
|----------|-------|-------|-------|-------|--------|
| 15-Dec   | 62.18 | 62.47 | 61.72 | 61.84 | -0.34  |
| 16-Mar   | 62.20 | 62.70 | 62.03 | 62.16 | -0.15  |
| 16-May   | 62.92 | 63.30 | 62.74 | 62.85 | -0.07  |
| 16-Jul   | 63.20 | 63.63 | 63.10 | 63.27 | 0.01   |
| 16-Oct   | 63.38 | 63.38 | 63.38 | 63.38 | 0.07   |
| 16-Dec   | 63.21 | 63.63 | 63.15 | 63.40 | 0.15   |

**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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