

Domestic Fundamentals:

Market Outlook: Cotton Spot Prices remained mostly weak on Saturday.

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				--					
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(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
		14-Nov-15	13-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	Closed	Closed	-
Khandwa	Mech-1	Closed	NA	-
Khargaon	Mech-1	Closed	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4350	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	4550	4700	
Bhiwani	B.T. Cotton	4350	4370	-20
Adampur	B.T. Cotton	4250	Closed	-
Fatehabad	B.T. Cotton	4260	4300	-40
Dabwali	B.T. Cotton	Closed	Closed	-
Jind	B.T. Cotton	4350	4354	-4
Uchana (Jind)	B.T. Cotton	4270	4291	-21
Rawatsar (Hanumangarh)	B.T. Cotton	4200	4200	Unch
Hubli	B.T. Cotton	NA	4309	-
Hathras	B.T. Cotton(US)	Closed	Closed	-
Hanumangarh	B.T. Cotton	Closed	Closed	-
	Kapas			
Ahmedabad	Shankar-6	Closed	Closed	-
Gondal	Shankar-6	Closed	Closed	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	Closed	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	4018	NA	-
East Godavari	Un-Ginned	4150	4050	100
	Lint	Rs./Maund (of 37.32kg each)		
Abohar	J-34	3440	Closed	-
Muktsar	J-34	Closed	Closed	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3435	3450	-15
Sirsa	J-34	3385	3400	-15
Mansa	J-34*	3425	3450	-25

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

Centre	Variety	Arrivals (Qtl)		Change
		14-Nov-15	13-Nov-15	
Amravati	Mech-1	Closed	Closed	-
Khandwa	Mech-1	Closed	NA	-
Khargaon	Mech-1	Closed	NA	-
Mahesana(Kadi)	B.T. Cotton	20000	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	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	Closed	Closed	-
Bhiwani	Desi	150	Closed	
Bhiwani	B.T. Cotton	2000	200	1800
Adampur	B.T. Cotton	680	Closed	-
Fatehabad	B.T. Cotton	800	600	200
Dabwali	B.T. Cotton	Closed	Closed	-
Jind	B.T. Cotton	255	425	-170
Uchana (Jind)	B.T. Cotton	1200	1600	-400
Rawatsar (Hanumangarh)	B.T. Cotton	200	Closed	-
Hubli	B.T. Cotton	NA	32	-
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	Closed	Closed	-
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	NA	NA	-
Abohar	J-34	510	Closed	-
Bhatinda	J-34	3060	1700	1360
Sirsa	J-34	1360	510	850
Mansa	J-34	255	425	-170
Sri-Ganganagar	J-34	Closed	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
		14-Nov-15	13-Nov-15	
Rajkot	Rs. /10 Kg.	Closed	Closed	-
New Delhi	Rs. /10 Kg.	570	570	Unch
Hyderabad	Rs. /10 Kg.	555	570	-15
Mumbai	Rs. /10 Kg.	585	585	Unch

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

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

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 13/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12960	-3
CCIndex(527)	11875	Unch
CCIndex(229)	13586	-2

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 13/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.05	-0.15

USDA Cotton Spot Rates: As on 12/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	62.59	65.84	465
North Delta	61.59	64.34	968
South Delta	61.59	64.34	1274
East TX-OK	59.00	61.00	1074
West Texas	59.25	61.50	3813
Desert SW	58.84	65.34	NIL
SJ Valley	60.00	69.74	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 13/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	61.84	62.02	61.36	61.68	-0.16
16-Mar	62.12	62.33	62.00	61.99	-0.17
16-May	62.83	63	62.25	62.67	-0.18
16-Jul	63.14	63.38	62.7	63.08	-0.19
16-Oct	63.16	63.16	63.16	63.16	-0.22
16-Dec	63.03	63.51	62.95	63.29	-0.11

Pakistan Cotton Spot rates: As on 12/11/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5250	135	5385
Equivalent	40 Kgs	5626	145	5771

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