

Domestic Fundamentals:

Market Outlook: Cotton Spot Prices remained weak on Monday.

In The News: Cotton procurement by Government would be around 20 to 25 Lakh bales this year against the 87 lakh bales during the last year, said Cotton Corporation of India (CCI). As cotton prices are ruling above the MSP of Rs 4100 per quintal in most of the cotton trading states of country, CCI would be buying cotton at higher prices. Also the intervention of CCI is not necessary if farmers are getting the genuine price i.e. prices over and above of MSP.

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.

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	6.5	839	847.5	839	845.5	4268	-1914	13922	-448
Spread	Feb-16			Apr-16					
Spot	--			22.5					
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 16 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	60	15550	15640	15540	15610	416	-52	2350	-76
Dec-15	60	15730	15770	15670	15740	685	-209	6400	33
Jan-16	80	15820	15890	15820	15890	148	-63	2105	12
Jan-16									
Spread	Nov-15	Dec-15	Jan-16	--	--	--			
Spot	--								
Nov-15		-130							
Dec-15			-150						
Jan-16				--					
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 16 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		16-Nov-15	14-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4100	Closed	-
Khandwa	Mech-1	4100	Closed	-
Khargaon	Mech-1	4100	Closed	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4250	4350	-100
Rajkot	B.T. Cotton	4340	Closed	-
Patan	B.T. Cotton	4275	Closed	-
Deesa	B.T. Cotton	NA	Closed	-
Dhrol	B.T. Cotton	4395	Closed	-
Muktsar	B.T. Cotton	4390	Closed	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4500	4550	-50
Bhiwani	B.T. Cotton	4300	4350	-50
Adampur	B.T. Cotton	4125	4250	-125
Fatehabad	B.T. Cotton	4225	4260	-35
Dabwali	B.T. Cotton	4210	Closed	-
Jind	B.T. Cotton	4268	4350	-82
Uchana (Jind)	B.T. Cotton	4201	4270	-69
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	4200	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	4100	Closed	-
Hanumangarh	B.T. Cotton	4290	Closed	-
	Kapas			
Ahmedabad	Shankar-6	4100	Closed	-
Gondal	Shankar-6	4295	Closed	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	Closed	-
Hathras	Desi	4200	Closed	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	4175	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	4018	-
East Godavari	Un-Ginned	4100	4150	-50
	Lint	Rs./Maund (of 37.32 Kg each)		
Abohar	J-34	3400	3440	-40
Muktsar	J-34	3400	Closed	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3405	3435	-30
Sirsa	J-34	3345	3385	-40
Mansa	J-34	3400	3425	-25

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

Centre	Variety	Arrivals (Qtl)		Change
		16-Nov-15	14-Nov-15	
Amravati	Mech-1	9000	Closed	-
Khandwa	Mech-1	2000	Closed	-
Khargaon	Mech-1	6000	Closed	-
Mahesana(Kadi)	B.T. Cotton	35000	20000	15000
Rajkot	B.T. Cotton	3050	Closed	-
Patan	B.T. Cotton	27280	Closed	-
Deesa	B.T. Cotton	NA	Closed	-
Dhrol	B.T. Cotton	814	Closed	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	85	Closed	-
Bhiwani	Desi	200	150	50
Bhiwani	B.T. Cotton	3000	2000	1000
Adampur	B.T. Cotton	1020	680	340
Fatehabad	B.T. Cotton	800	800	Unch
Dabwali	B.T. Cotton	1500	Closed	-
Jind	B.T. Cotton	935	255	680
Uchana (Jind)	B.T. Cotton	1500	1200	300
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	200	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	30	Closed	-
Hanumangarh	B.T. Cotton	200	Closed	-
Ahmedabad	Shankar-6	51000	Closed	-
Gondal	Shankar-6	3774	Closed	-
Jamner (Jalgaon)	Medium Staple	NA	Closed	-
Hathras	Desi	350	Closed	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	967	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	850	510	340
Bhatinda	J-34	2890	3060	-170
Sirsa	J-34	1020	1360	-340
Mansa	J-34	340	255	85
Sri-Ganganagar	J-34	500	Closed	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				14-Nov-15	10-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30400	30600	-200
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30900	31100	-200
J-34(202)	26mm	3.5 - 4.9	23	31500	31700	-200
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31200	31300	-100
Shankar-6(105)	29mm	3.5 – 4.9	28	32000	32100	-100
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
		16-Nov-15	14-Nov-15	
Rajkot	Rs. /10 Kg.	580	Closed	-
New Delhi	Rs. /10 Kg.	570	570	Unch
Hyderabad	Rs. /10 Kg.	570	555	15
Mumbai	Rs. /10 Kg.	580	585	-5

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

Centre	Unit	Price		Change
		16-Nov-15	14-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1661	Closed	-
Akola	Rs./Qtl	1741	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 16/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12942	-18
CCIndex(527)	11869	-6
CCIndex(229)	13579	-7

China Foreign Cotton (FC) Index : As on 13/11/2015

Index	Cents/lb	Change
FC Index (S)	74.26	0.23
FC Index (M)	69.86	0.24
FC Index (L)	67.99	0.30

Cotlook Index: As on 13/11/2015

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

USDA Cotton Spot Rates: As on 13/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.93	62.67	875
North Delta	64.43	61.68	NIL
South Delta	64.43	61.68	NIL
East TX-OK	61.00	59.00	1877
West Texas	61.50	59.25	9389
Desert SW	65.18	58.68	NIL
SJ Valley	69.58	59.68	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 14/11/2015 (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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