

Domestic Fundamentals:

Market Outlook: Cotton spot prices remained mostly firm on Monday.

In The News: Gujarat state agriculture department has revised its first advance estimates for area, production and yield of major Kharif crop in the state for the season 2015-16. Cotton production figures has been revised down in the latest estimates at 92.57 lakh bales which was forecasted to be at 95.29 lakh bales in the previous estimates.

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.

International Fundamentals:

Around 42,100 tons of cotton has been imported by China in October, the lowest volume imported at least a decade and around 48.6 percent lower when compared to the same month last year, said industry website citing custom data. Cotton during the initial 10 months of the year stood 1.2 million tones, around 64.3 percent lower as compared to the imports during the same period last year.

According to USDA, around 68% of the cotton has been harvested in USA as on 15 November 2015, which was 58% a week earlier and 64% during the same period last year. The five year average of the harvesting during the same period is however 74%, fairly higher than the current harvesting pace.

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.

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	9	845	857	845	853	4009	-259	13717	-205
Spread	Feb-16		Apr-16						
Spot	--		24						
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 17 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	130	15680	15760	15660	15740	652	236	2318	-32
Dec-15	140	15790	15880	15780	15860	987	302	6366	-34
Jan-16	140	15950	16040	15930	16020	425	277	2098	-7
Jan-16									
Spread	Nov-15	Dec-15	Jan-16	--	--	--			
Spot	--								
Nov-15		-120							
Dec-15			-160						
Jan-16				--					
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(NB: Spread Basis = Spot- Near Month Future)

* Updated at 5:00 pm on 17 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		17-Nov-15	16-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4125	4100	25
Khandwa	Mech-1	4100	4100	Unch
Khargaon	Mech-1	4100	4100	Unch
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4450	4250	200
Rajkot	B.T. Cotton	4385	4340	45
Patan	B.T. Cotton	4325	4275	50
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	4395	-
Muktsar	B.T. Cotton	4225	4390	-165
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4500	4500	Unch
Bhiwani	B.T. Cotton	4350	4300	50
Adampur	B.T. Cotton	4200	4125	75
Fatehabad	B.T. Cotton	4240	4225	15
Dabwali	B.T. Cotton	4250	4210	40
Jind	B.T. Cotton	4422	4268	154
Uchana (Jind)	B.T. Cotton	4330	4201	129
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	4100	4100	Unch
Hanumangarh	B.T. Cotton	4320	4290	30
	Kapas			
Ahmedabad	Shankar-6	4350	4100	250
Gondal	Shankar-6	4355	4295	60
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4200	4200	Unch
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5509	NA	-
Raichur	H-44 Cotton	NA	4175	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs./Maund		
Abohar	J-34	3415	3400	15
Muktsar	J-34	3410	3400	10
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3415	3405	10
Sirsa	J-34	3350	3345	5
Mansa	J-34	3410	3400	10

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

Centre	Variety	Arrivals (Qtl)		Change
		17-Nov-15	16-Nov-15	
Amravati	Mech-1	12000	9000	3000
Khandwa	Mech-1	1000	2000	-1000
Khargaon	Mech-1	5000	6000	-1000
Mahesana(Kadi)	B.T. Cotton	30000	35000	-5000
Rajkot	B.T. Cotton	3020	3050	-30
Patan	B.T. Cotton	12255	27280	-15025
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	814	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	1700	85	1615
Bhiwani	Desi*	200	200	Unch
Bhiwani	B.T. Cotton	3000	3000	Unch
Adampur	B.T. Cotton	1020	1020	Unch
Fatehabad	B.T. Cotton	850	800	50
Dabwali	B.T. Cotton	1400	1500	-100
Jind	B.T. Cotton	1062.5	935	128
Uchana (Jind)	B.T. Cotton	1100	1500	-400
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	30	30	Unch
Hanumangarh	B.T. Cotton	2000	200	1800
Ahmedabad	Shankar-6	34000	51000	-17000
Gondal	Shankar-6	1926	3774	-1848
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	350	350	Unch
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	58	NA	-
Raichur	H-44 Cotton	NA	967	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	680	850	-170
Bhatinda	J-34	3400	2890	510
Sirsa	J-34	1020	1020	Unch
Mansa	J-34	425	340	85
Sri-Ganganagar	J-34	500	500	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength / GPT	Rs. Per Candy		Change
				16-Nov-15	14-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30300	30400	-100
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30800	30900	-100
J-34(202)	26mm	3.5 - 4.9	23	31200	31500	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31300	31200	100
Shankar-6(105)	29mm	3.5 - 4.9	28	32000	32000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32400	32300	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33300	33200	100
DCH-32(107)	34mm	3.0 - 3.8	33	45200	45000	200

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

Centre	Unit	Price		Change
		17-Nov-15	16-Nov-15	
Rajkot	Rs. /10 Kg.	570	580	-10
New Delhi	Rs. /10 Kg.	575	570	5
Hyderabad	Rs. /10 Kg.	545	550	-5
Mumbai	Rs. /10 Kg.	575	580	-5

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

Centre	Unit	Price		Change
		17-Nov-15	16-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1695	1661	34
Akola	Rs./Qtl	1693	1741	-48

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 17/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12947	5
CCIndex(527)	11875	6
CCIndex(229)	13579	Unch

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 16/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	68.85	-0.20

USDA Cotton Spot Rates: As on 16/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.86	63.61	NIL
North Delta	65.36	62.61	NIL
South Delta	65.36	62.61	NIL
East TX-OK	61.25	59.25	2502
West Texas	61.75	59.50	9243
Desert SW	65.86	59.36	200
SJ Valley	70.26	60.36	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 16/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	61.58	62.85	61.26	61.74	0.06
16-Mar	61.81	63.55	61.67	62.61	0.62
16-May	62.46	64.11	62.35	63.23	0.56
16-Jul	63.08	64.45	62.75	63.62	0.54
16-Oct	63.59	63.59	63.59	63.59	0.43
16-Dec	63.00	64.35	63.00	63.61	0.32

Pakistan Cotton Spot rates: As on 16/11/2015 (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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