

Domestic Fundamentals:

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

In The News: India exported 2.634 lakh bales of cotton last week (09 Nov-15 Nov 2015), which was 2.618 lakh bales previous to last week (02 Nov-08 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.028 lakh bales last week, which was 0.192 lakh bales previous to last week.

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.

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	3.5	856	862	851.5	860.5	4813	-8718	13531	-186
Spread		Feb-16			Apr-16				
Spot		--			13.5				
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 18 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	70	15740	15850	15730	15840	764	112	2360	42
Dec-15	60	15860	15970	15850	15960	1002	15	6420	54
Jan-16	80	16010	16120	15990	16110	210	-215	2143	45
Jan-16	120	16180	16310	16180	16310	25	-	1264	-
Spread		Nov-15	Dec-15	Jan-16	Feb-16		--		--
Spot		--							
Nov-15			-120						
Dec-15				-150					
Jan-16					-200				
Feb-16									

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

* Updated at 5:00 pm on 18 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		18-Nov-15	17-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4100	4125	-25
Khandwa	Mech-1	4200	4100	100
Khargaon	Mech-1	4200	4100	100
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4425	4450	-25
Rajkot	B.T. Cotton	4370	4385	-15
Patan	B.T. Cotton	Closed	4325	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	4225	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4500	4500	Unch
Bhiwani	B.T. Cotton	4450	4350	100
Adampur	B.T. Cotton	4250	4200	50
Fatehabad	B.T. Cotton	4280	4240	40
Dabwali	B.T. Cotton	4260	4250	10
Jind	B.T. Cotton	4417	4422	-5
Uchana (Jind)	B.T. Cotton	4390	4330	60
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	4150	4100	50
Hanumangarh	B.T. Cotton	4350	4320	30
	Kapas			
Ahmedabad	Shankar-6	4375	4350	25
Gondal	Shankar-6	Closed	4355	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4200	4200	Unch
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	5509	-
Raichur	H-44 Cotton	4250	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs./Mauud (of 37.32 Kg each)		
Abohar	J-34	3425	3415	10
Muktsar	J-34	NA	3410	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3425	3415	10
Sirsa	J-34	3370	3350	20
Mansa	J-34	3415	3410	5

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

Centre	Variety	Arrivals (Qtl)		Change
		18-Nov-15	17-Nov-15	
Amravati	Mech-1	14000	12000	2000
Khandwa	Mech-1	1200	1000	200
Khargaon	Mech-1	5500	5000	500
Mahesana(Kadi)	B.T. Cotton	15000	30000	-15000
Rajkot	B.T. Cotton	3420	3020	400
Patan	B.T. Cotton	Closed	12255	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	1700	-
Bhiwani	Desi	200	200	Unch
Bhiwani	B.T. Cotton	3000	3000	Unch
Adampur	B.T. Cotton	1020	1020	Unch
Fatehabad	B.T. Cotton	600	850	-250
Dabwali	B.T. Cotton	1450	1400	50
Jind	B.T. Cotton	255	1062.5	-808
Uchana (Jind)	B.T. Cotton	1650	1100	550
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	60	30	30
Hanumangarh	B.T. Cotton	1000	2000	-1000
Ahmedabad	Shankar-6	42500	34000	8500
Gondal	Shankar-6	Closed	1926	-
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	400	350	50
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	58	-
Raichur	H-44 Cotton	517	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	680	680	Unch
Bhatinda	J-34	3400	3400	Unch
Sirsa	J-34	1020	1020	Unch
Mansa	J-34	425	425	Unch
Sri-Ganganagar	J-34	500	500	Unch

Cotton Association of India Spot Rates:

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

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

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

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

Centre	Unit	Price		Change
		18-Nov-15	17-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1721	1695	26
Akola	Rs./Qtl	1705	1693	12

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 18/11/2015

Index	RMB/Ton	Change
CCIndex(328)	12949	2
CCIndex(527)	11877	2
CCIndex(229)	13580	1

China Foreign Cotton (FC) Index : As on 18/11/2015		
Index	Cents/lb	Change
FC Index (S)	74.27	-0.21
FC Index (M)	70.37	-0.16
FC Index (L)	68.41	-0.24

Cotlook Index: As on 17/11/2015		
Cotlook Indices	Cents/Pound	Change
A-Index	69.25	0.25

USDA Cotton Spot Rates: As on 17/11/2015			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	66.92	63.67	NIL
North Delta	65.42	62.67	NIL
South Delta	65.42	62.67	NIL
East TX-OK	61.25	59.25	4988
West Texas	61.75	59.50	16570
Desert SW	65.92	59.42	117
SJ Valley	70.32	60.42	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 17/11/2015					
Contract	Open	High	Low	Close	Change
15-Dec	61.88	62.25	61.44	61.53	-0.21
16-Mar	62.59	63.37	62.55	62.67	0.06
16-May	63.53	64.04	63.30	63.38	0.15
16-Jul	63.95	64.42	63.72	63.77	0.15
16-Oct	63.76	63.76	63.76	63.76	0.17
16-Dec	64.00	64.25	63.75	63.77	0.16

Pakistan Cotton Spot rates: As on 17/11/2015 (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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