

Domestic Fundamentals:

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

In The News: International Cotton Advisory Committee (ICAC) has further slashed down the cotton production estimates for India for the season 2015-16. ICAC believes that the country will produce around 6.3 million tons (approx 370.5 lakh bales), which was (approx. 382.9 lakh bales) during the previous season.

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:

According to the latest weekly release of International Cotton Advisory Committee (ICAC), cotton production on world front is likely to be around 23.35 million tons, which was estimated 23.43 million tons a week earlier. As per the estimates of ICAC, cotton production during the season 2014-15 was 26.18 million tons.

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.

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	860	862	854.5	854.5	4061	13883	4813	13531

Spread	Feb-16	Apr-16
Spot	--	45.5
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 19 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	0	15820	15900	15770	15830	705	-59	2445	85
Dec-15	-60	15920	15950	15850	15860	1256	254	6525	105
Jan-16	-60	16050	16100	16000	16020	310	100	2240	97
Jan-16	-50	16280	16290	16210	16220	54	29	1287	23

Spread	Nov-15	Dec-15	Jan-16	Feb-16	--	--
Spot	--					
Nov-15		-30				
Dec-15			-160			
Jan-16				-200		
Feb-16						

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

* Updated at 5:00 pm on 19 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		19-Nov-15	18-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4100	50
Khandwa	Mech-1	NA	4200	-
Khargaon	Mech-1	NA	4200	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4500	4425	75
Rajkot	B.T. Cotton	4500	4370	130
Patan	B.T. Cotton	NA	Closed	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4425	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4500	4500	Unch
Bhiwani	B.T. Cotton	4450	4450	Unch
Adampur	B.T. Cotton	4290	4250	40
Fatehabad	B.T. Cotton	4340	4280	60
Dabwali	B.T. Cotton	4330	4260	70
Jind	B.T. Cotton	4522	4417	105
Uchana (Jind)	B.T. Cotton	4491	4390	101
Rawatsar (Hanumangarh)	B.T. Cotton	4240	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	4150	-
Hanumangarh	B.T. Cotton	4420	4350	70
	Kapas			
Ahmedabad	Shankar-6	4400	4375	25
Gondal	Shankar-6	4450	Closed	-
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	4200	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5369	NA	-
Raichur	H-44 Cotton	4270	4250	20
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 (of 37.32 kg each)		
Abohar	J-34	3460	3425	35
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3460	3425	35
Sirsa	J-34	3390	3370	20
Mansa	J-34	3450	3415	35

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

Centre	Variety	Arrivals (Qtl)		Change
		19-Nov-15	18-Nov-15	
Amravati	Mech-1	15000	14000	1000
Khandwa	Mech-1	NA	1200	-
Khargaon	Mech-1	NA	5500	-
Mahesana(Kadi)	B.T. Cotton	40000	15000	25000
Rajkot	B.T. Cotton	3350	3420	-70
Patan	B.T. Cotton	NA	Closed	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	642	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	Desi	200	200	Unch
Bhiwani	B.T. Cotton	3000	3000	Unch
Adampur	B.T. Cotton	680	1020	-340
Fatehabad	B.T. Cotton	650	600	50
Dabwali	B.T. Cotton	1320	1450	-130
Jind	B.T. Cotton	255	255	Unch
Uchana (Jind)	B.T. Cotton	1260	1650	-390
Rawatsar (Hanumangarh)	B.T. Cotton	1000	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	60	-
Hanumangarh	B.T. Cotton	1500	1000	500
Ahmedabad	Shankar-6	42500	42500	Unch
Gondal	Shankar-6	3675	Closed	-
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	400	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	8	NA	-
Raichur	H-44 Cotton	802	517	285
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	2550	3400	-850
Sirsa	J-34	1020	1020	Unch
Mansa	J-34	425	425	Unch
Sri-Ganganagar	J-34	1000	500	500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				18-Nov-15	19-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	31300	Unch
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31500	31300	200
Shankar-6(105)	29mm	3.5 – 4.9	28	32200	32000	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32500	32400	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33400	33300	100
DCH-32(107)	34mm	3.0 - 3.8	33	45400	45200	200

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

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

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

Centre	Unit	Price		Change
		19-Nov-15	18-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1765	1721	44
Akola	Rs./Qtl	1747	1705	42

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 19/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12955	6
CCIndex(527)	11871	-6
CCIndex(229)	13585	5

China Foreign Cotton (FC) Index : As on 19/11/2015

Index	Cents/lb	Change
FC Index (S)	74.27	Unch
FC Index (M)	70.37	Unch
FC Index (L)	68.41	Unch

Cotlook Index: As on 18/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.25	Unch

USDA Cotton Spot Rates: As on 18/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.44	64.19	3364
North Delta	65.94	63.19	NIL
South Delta	65.94	63.19	83
East TX-OK	61.25	59.25	4147
West Texas	61.75	59.50	15093
Desert SW	66.19	59.69	NIL
SJ Valley	70.59	60.69	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 18/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	61.60	61.95	61.49	61.52	-0.01
16-Mar	62.66	63.12	62.66	62.94	0.27
16-May	63.46	63.77	63.36	63.65	0.27
16-Jul	63.95	64.11	63.81	64.05	0.28
16-Oct	63.60	63.60	63.60	63.60	-0.16
16-Dec	63.96	64.11	63.85	64.04	0.27

Pakistan Cotton Spot rates: As on 18/11/2015 (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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