

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed mixed tone on Friday.

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	-8	858	858	848	849	3771	-290	13958	75
Spread	Feb-16			Apr-16					
Spot	--			46					
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 20 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	-90	15920	16070	15850	15850	695	-10	2248	-197
Dec-15	-100	15930	15960	15850	15860	1246	-10	6660	135
Jan-16	-100	16050	16060	15980	15990	334	24	2115	-125
Jan-16	-70	16220	16220	16140	16160	85	31	1319	32
Spread	Nov-15	Dec-15	Jan-16	Feb-16	--		--		
Spot	--								
Nov-15		-10							
Dec-15			-130						
Jan-16				-170					
Feb-16									

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

* Updated at 5:00 pm on 20 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		20-Nov-15	19-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4150	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4400	4500	-100
Rajkot	B.T. Cotton	4475	4500	-25
Patan	B.T. Cotton	4365	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4395	4425	-30
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4500	4500	Unch
Bhiwani	B.T. Cotton	4430	4450	-20
Adampur	B.T. Cotton	NA	4290	-
Fatehabad	B.T. Cotton	4390	4340	50
Dabwali	B.T. Cotton	4360	4330	30
Jind	B.T. Cotton	4425	4522	-97
Uchana (Jind)	B.T. Cotton	4471	4491	-20
Rawatsar (Hanumangarh)	B.T. Cotton	4270	4240	30
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	4420	4420	Unch
	Kapas			
Ahmedabad	Shankar-6	4450	4400	50
Gondal	Shankar-6	4440	4450	-10
	Kapas			
Jamner (Jalgaon)	Medium Staple	4100	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	5369	-
Raichur	H-44 Cotton	NA	4270	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4018	NA	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs./Maund (of 37.32kg each)		
Abohar	J-34	3470	3460	10
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3465	3460	5
Sirsa	J-34	3400	3390	10
Mansa	J-34	3470	3450	20

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

Centre	Variety	Arrivals (Qtl)		Change
		20-Nov-15	19-Nov-15	
Amravati	Mech-1	14000	15000	-1000
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	50000	40000	10000
Rajkot	B.T. Cotton	3625	3350	275
Patan	B.T. Cotton	18190	NA	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	642	642	Unch
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	NA	680	-
Fatehabad	B.T. Cotton	600	650	-50
Dabwali	B.T. Cotton	1450	1320	130
Jind	B.T. Cotton	340	255	85
Uchana (Jind)	B.T. Cotton	1200	1260	-60
Rawatsar (Hanumangarh)	B.T. Cotton	700	1000	-300
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	1500	1500	Unch
Ahmedabad	Shankar-6	51000	42500	8500
Gondal	Shankar-6	3150	3675	-525
Jamner (Jalgaon)	Medium Staple	45	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	8	-
Raichur	H-44 Cotton	NA	802	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	765	680	85
Bhatinda	J-34	2890	2550	340
Sirsa	J-34	1700	1020	680
Mansa	J-34	510	425	85
Sri-Ganganagar	J-34	1000	1000	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				19-Nov-15	18-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	31600	31300	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31500	31500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	32200	32200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32600	32500	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33400	33400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45400	45400	Unch

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

Centre	Unit	Price		Change
		20-Nov-15	19-Nov-15	
Rajkot	Rs. /10 Kg.	585	580	5
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	550	545	5
Mumbai	Rs. /10 Kg.	585	580	5

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

Centre	Unit	Price		Change
		20-Nov-15	19-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1720	1765	-45
Akola	Rs./Qtl	1748	1747	1

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 20/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12956	1
CCIndex(527)	11871	Unch
CCIndex(229)	13587	2

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 19/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.50	0.25

USDA Cotton Spot Rates: As on 19/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.37	67.62	259
North Delta	63.37	66.12	NIL
South Delta	63.37	66.12	NIL
East TX-OK	60.00	62.00	3635
West Texas	60.00	62.25	13239
Desert SW	59.87	66.37	450
SJ Valley	60.87	70.77	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 19/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	61.55	62.22	61.52	61.58	0.06
16-Mar	62.94	63.35	62.79	63.12	0.18
16-May	63.66	64.05	63.50	63.87	0.22
16-Jul	64.05	64.40	64.05	64.25	0.20
16-Oct	63.28	63.28	63.28	63.28	-0.32
16-Dec	64.00	64.25	63.95	64.14	0.10

Pakistan Cotton Spot rates: As on 19/11/2015 (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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