

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed weak tone on Saturday.

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
		21-Nov-15	20-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4175	4150	25
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4400	4400	Unch
Rajkot	B.T. Cotton	4395	4475	-80
Patan	B.T. Cotton	4325	4365	-40
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4410	4395	15
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi*	4500	4500	Unch
Bhiwani	B.T. Cotton	4325	4430	-105
Adampur	B.T. Cotton	4230	NA	-
Fatehabad	B.T. Cotton	4280	4390	-110
Dabwali	B.T. Cotton	4200	4360	-160
Jind	B.T. Cotton	4399	4425	-26
Uchana (Jind)	B.T. Cotton	4345	4471	-126
Rawatsar (Hanumangarh)	B.T. Cotton	4220	4270	-50
Hubli	B.T. Cotton	NA	4491	-
Hathras	B.T. Cotton(US)	4400	NA	-
Hanumangarh	B.T. Cotton	4350	4420	-70
	Kapas			
Ahmedabad	Shankar-6	4450	4450	Unch
Gondal	Shankar-6	4370	4440	-70
	Kapas			
Jamner (Jalgaon)	Medium Staple	4100	4100	Unch
Hathras	Desi	4500	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	4491	-
Raichur	H-44 Cotton	NA	4300	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	4018	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs./Maund of 37.32kg each)		
Abohar	J-34	3425	3470	-45
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3420	3465	-45
Sirsa	J-34	3365	3400	-35

Mansa	J-34*	3450	3470	-20
Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		21-Nov-15	20-Nov-15	
Amravati	Mech-1	15000	14000	1000
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	60000	50000	10000
Rajkot	B.T. Cotton	4240	3625	615
Patan	B.T. Cotton	20690	18190	2500
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	779	642	137
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	510	NA	-
Fatehabad	B.T. Cotton	800	600	200
Dabwali	B.T. Cotton	1400	1450	-50
Jind	B.T. Cotton	255	340	-85
Uchana (Jind)	B.T. Cotton	1650	1200	450
Rawatsar (Hanumangarh)	B.T. Cotton	500	700	-200
Hubli	B.T. Cotton	NA	4491	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	700	1500	-800
Ahmedabad	Shankar-6	51000	51000	Unch
Gondal	Shankar-6	3865	3150	715
Jamner (Jalgaon)	Medium Staple	40	45	-5
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	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	765	-85
Bhatinda	J-34	3060	2890	170
Sirsa	J-34	850	1700	-850

Mansa	J-34	425	510	-85
Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				20-Nov-15	19-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	30300	30300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	30800	30800	Unch
J-34(202)	26mm	3.5 - 4.9	23	31500	31600	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31600	31500	100
Shankar-6(105)	29mm	3.5 - 4.9	28	32300	32200	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32700	32600	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33500	33400	100
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45400	100

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

Centre	Unit	Price		Change
		21-Nov-15	20-Nov-15	
Rajkot	Rs. /10 Kg.	585	585	Unch
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	560	550	10
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
		21-Nov-15	20-Nov-15	
Mahesana (Kadi)	Rs./Qtl	Closed	1720	-
Akola	Rs./Qtl	Closed	1748	-

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 20/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	61.79	61.98	59.82	60.04	-1.54
16-Mar	63.25	63.42	62.75	62.83	-0.29
16-May	63.99	64.18	63.61	63.68	-0.19
16-Jul	64.34	64.58	64.12	64.12	-0.13
16-Oct	63.30	63.30	63.30	63.30	0.02
16-Dec	64.20	64.52	64.08	64.29	0.15

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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