

## Domestic Fundamentals:

**Market Outlook:** Cotton spot prices noticed mixed tone on Monday.

**In The News:** Interest Equalization Scheme, formerly known as the Interest Rate Subvention Scheme, on pre-shipment and post-shipment of garments is expected to enhance cotton textile exports from India, said R.K. Dalmia, Chairman, Cotton Textiles Export Promotion Council (Texprocil). Following the rise in cotton textile exports, demand of raw cotton too is expected to surge in domestic market.

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.

### International Fundamentals:

Due to the lower production, cotton imports in Turkey are likely to increase this year. The country is likely to face a fall of 17% in its cotton production during 2015-16 which will amplify the cotton imports by around 9% to 4.016 million bales as compared to 3.675 million bales in 2014-15, said USDA.

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.

### 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	-8.5	848.5	851.5	837	838.5	4712	941	13874	-84

  

Spread	Feb-16	Apr-16
Spot	--	51.5
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 23 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	-40	15830	15880	15760	15770	342	-353	2067	-181
Dec-15	-60	15830	15870	15760	15770	747	-499	6640	-20
Jan-16	-70	15970	15980	15910	15920	265	-69	2160	45
Jan-16	-70	16150	16170	16110	16120	141	56	1351	32

  

Spread	Nov-15	Dec-15	Jan-16	Feb-16	--	--
Spot	--					
Nov-15		0				
Dec-15			-150			
Jan-16				-200		
Feb-16						

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

\* Updated at 5:00 pm on 23 November 2015

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Markets:**

Centre	Variety	Prices		Change
		23-Nov-15	22-Nov-15	
	<b>Kapas</b>	<b>(Rs./Qtl)</b>		
Amravati	Mech-1	4200	4175	25
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	<b>Kapas</b>			
Mahesana(Kadi)	B.T. Cotton	4400	4400	Unch
Rajkot	B.T. Cotton	4450	4395	55
Patan	B.T. Cotton	4400	4325	75
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	4410	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4500	4500	Unch
Bhiwani	B.T. Cotton	4375	4325	50
Adampur	B.T. Cotton	4250	4230	20
Fatehabad	B.T. Cotton	4350	4280	70
Dabwali	B.T. Cotton	4250	4200	50
Jind	B.T. Cotton	4399	4399	Unch
Uchana (Jind)	B.T. Cotton	4385	4345	40
Rawatsar (Hanumangarh)	B.T. Cotton	4180	4220	-40
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	4400	-
Hanumangarh	B.T. Cotton	4270	4350	-80
	<b>Kapas</b>			
Ahmedabad	Shankar-6	4350	4450	-100
Gondal	Shankar-6	4390	4370	20
	<b>Kapas</b>			
Jamner (Jalgaon)	Medium Staple	4100	4100	Unch
Hathras	Desi	NA	4500	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5577	NA	-
Raichur	H-44 Cotton	4225	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4100	4100	Unch
	<b>Lint</b>	<b>Rs./Maund</b>		
Abohar	J-34	3410	3425	-15
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3420	3420	Unch
Sirsa	J-34	3375	3365	10
Mansa	J-34	3420	3450	-30

Sri-Ganganagar	J-34	4250	NA	-
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**Cotton Arrivals in Key Centers:**

Centre	Variety	Arrivals (Qtl)		Change
		23-Nov-15	22-Nov-15	
Amravati	Mech-1	16000	15000	1000
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	50000	60000	-10000
Rajkot	B.T. Cotton	5275	4240	1035
Patan	B.T. Cotton	21271	20690	581
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	779	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	Desi	300	200	100
Bhiwani	B.T. Cotton	3000	3000	Unch
Adampur	B.T. Cotton	680	510	170
Fatehabad	B.T. Cotton	900	800	100
Dabwali	B.T. Cotton	1300	1400	-100
Jind	B.T. Cotton	425	255	170
Uchana (Jind)	B.T. Cotton	1700	1650	50
Rawatsar (Hanumangarh)	B.T. Cotton	500	500	Unch
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	2000	700	1300
Ahmedabad	Shankar-6	42500	51000	-8500
Gondal	Shankar-6	4111	3865	246
Jamner (Jalgaon)	Medium Staple	51	40	11
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	144	NA	-
Raichur	H-44 Cotton	1012	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	1020	680	340
Bhatinda	J-34	3400	3060	340
Sirsa	J-34	1020	850	170
Mansa	J-34	578	425	153
Sri-Ganganagar	J-34	1000	NA	-

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				21-Nov-15	20-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	31200	31500	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31400	31600	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	32100	32300	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32500	32700	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33300	33500	-200
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45500	-500

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

Centre	Unit	Price		Change
		23-Nov-15	21-Nov-15	
Rajkot	Rs. /10 Kg.	582	585	-3
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	573	560	7
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
		23-Nov-15	21-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1721	Closed	-
Akola	Rs./Qtl	1718	Closed	-

**INTERNATIONAL PRICES AND INDICES**

China Cotton Index: As on 23/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12958	2
CCIndex(527)	11871	Unch
CCIndex(229)	13593	6

**China Foreign Cotton (FC) Index : As on 23/11/2015**

Index	Cents/lb	Change
FC Index (S)	74.13	-0.14
FC Index (M)	74.32	3.95
FC Index (L)	68.34	-0.27

**Cotlook Index: As on 20/11/2015**

Cotlook Indices	Cents/Pound	Change
A-Index	69.60	0.10

**USDA Cotton Spot Rates: As on 20/11/2015**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.08	67.33	NIL
North Delta	63.08	65.83	NIL
South Delta	63.08	65.83	NIL
East TX-OK	60.00	62.00	3015
West Texas	60.00	62.25	10260
Desert SW	59.83	66.33	700
SJ Valley	60.83	70.73	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 21/11/2015 (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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