

Domestic Fundamentals:

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

In The News: India exported 2.691 lakh bales of cotton last week (09 Nov-15 Nov 2015), which was 2.634 lakh bales previous to last week (09 Nov-15 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.152 lakh bales last week, which was 0.028 lakh bales previous to last week.

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.

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:

According to USDA, around 70% of the cotton has been harvested in USA as on 22 November 2015, which was 64% a week earlier and 76% during the same period last year. The five year average of the harvesting during the same period is however 82%, fairly higher than the current harvesting pace.

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.

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	2	837	843.5	837	839.5	2526	-2186	13607	-267
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 24 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	30	15770	15820	15770	15800	78	-264	1960	-107
Dec-15	-10	15760	15790	15720	15720	333	-414	6372	-268
Jan-16	-20	15910	15940	15860	15860	166	-99	2233	73
Jan-16	-50	16130	16150	16070	16070	55	-86	1340	-11
Spread	Nov-15	Dec-15	Jan-16	Feb-16					
Spot	--								
Nov-15		80							
Dec-15			-140						
Jan-16				-210					
Feb-16									

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

* Updated at 5:00 pm on 24 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		24-Nov-15	23-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4200	-50
Khandwa	Mech-1	4100	NA	-
Khargaon	Mech-1	4100	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4400	4400	Unch
Rajkot	B.T. Cotton	4425	4450	-25
Patan	B.T. Cotton	4350	4400	-50
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4395	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4500	4500	Unch
Bhiwani	B.T. Cotton	4400	4375	25
Adampur	B.T. Cotton	4260	4250	10
Fatehabad	B.T. Cotton	4325	4350	-25
Dabwali	B.T. Cotton	4260	4250	10
Jind	B.T. Cotton	4430	4399	31
Uchana (Jind)	B.T. Cotton	4375	4385	-10
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	4180	-
Hubli	B.T. Cotton	Closed	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	Closed	4270	-
	Kapas			
Ahmedabad	Shankar-6	4400	4350	50
Gondal	Shankar-6	4390	4390	Unch
	Kapas			
Jamner (Jalgaon)	Medium Staple	4100	4100	Unch
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5495	5577	-82
Raichur	H-44 Cotton	4225	4225	Unch
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	3415	3410	5
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3425	3420	5
Sirsa	J-34	3345	3375	-30
Mansa	J-34	3415	3420	-5

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

Centre	Variety	Arrivals (Qtl)		Change
		24-Nov-15	23-Nov-15	
Amravati	Mech-1	17300	16000	1300
Khandwa	Mech-1	1200	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	45000	50000	-5000
Rajkot	B.T. Cotton	2040	5275	-3235
Patan	B.T. Cotton	18032	21271	-3239
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	871	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	Desi	400	300	100
Bhiwani	B.T. Cotton	4000	3000	1000
Adampur	B.T. Cotton	680	680	Unch
Fatehabad	B.T. Cotton	650	900	-250
Dabwali	B.T. Cotton	950	1300	-350
Jind	B.T. Cotton	255	425	-170
Uchana (Jind)	B.T. Cotton	1500	1700	-200
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	500	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	Closed	2000	-
Ahmedabad	Shankar-6	68000	42500	25500
Gondal	Shankar-6	3598	4111	-513
Jamner (Jalgaon)	Medium Staple	42	51	-9
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	6	144	-138
Raichur	H-44 Cotton	1042	1012	30
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	1020	-340
Bhatinda	J-34	3740	3400	340
Sirsa	J-34	1020	1020	Unch
Mansa	J-34	680	578	102
Sri-Ganganagar	J-34	NA	1000	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				23-Nov-15	21-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30100	30300	-200
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30600	30800	-200
J-34(202)	26mm	3.5 - 4.9	23	31100	31200	-100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31500	31400	100
Shankar-6(105)	29mm	3.5 – 4.9	28	32200	32100	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32500	32500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33000	33300	-300
DCH-32(107)	34mm	3.0 - 3.8	33	44500	45000	-500

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

Centre	Unit	Price		Change
		24-Nov-15	23-Nov-15	
Rajkot	Rs. /10 Kg.	582	582	Unch
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	565	573	-8
Mumbai	Rs. /10 Kg.	582	580	2

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

Centre	Unit	Price		Change
		24-Nov-15	23-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1697	1721	-24
Akola	Rs./Qtl	1703	1718	-15

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 24/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12958	Unch
CCIndex(527)	11876	5
CCIndex(229)	13595	2

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 23/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.35	-0.25

USDA Cotton Spot Rates: As on 23/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	62.85	66.10	NIL
North Delta	61.85	64.60	NIL
South Delta	61.85	64.61	NIL
East TX-OK	59.50	61.50	NIL
West Texas	59.50	61.75	464
Desert SW	58.60	65.10	NIL
SJ Valley	59.60	69.50	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 23/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	59.99	60.95	59.72	60.16	0.12
16-Mar	62.89	63.00	61.45	61.60	-1.23
16-May	63.64	63.75	62.35	62.48	-1.20
16-Jul	64.02	64.02	63.00	63.13	-0.99
16-Oct	62.59	62.59	62.59	62.59	-0.71
16-Dec	64.11	64.11	63.48	63.58	-0.71

Pakistan Cotton Spot rates: As on 23/11/2015 (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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