

Domestic Fundamentals:

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

In The News: Government agencies have started the cotton procurement in Maharashtra. The Maharashtra State Co-Operative Cotton Growers Marketing Federation (MSCCGMF), a sub agency of CCI has procured around 39641 quintals of cotton from farmers at MSP in state so far. The agency at the commencement of the season said that it may procure upto 100 lakh quintals of cotton in 2015-16 against 27 lakh quintals it procured during previous season.

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).

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 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
		25-Nov-15	24-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4150	Unch
Khandwa	Mech-1	Closed	4100	-
Khargaon	Mech-1	Closed	4100	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4300	4400	-100
Rajkot	B.T. Cotton	4405	4425	-20
Patan	B.T. Cotton	Closed	4350	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	4400	4395	5
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	Desi	4500	4500	Unch
Bhiwani	B.T. Cotton	4450	4400	50
Adampur	B.T. Cotton	4275	4260	15
Fatehabad	B.T. Cotton	4320	4325	-5
Dabwali	B.T. Cotton	4185	4260	-75
Jind	B.T. Cotton	Closed	4430	-
Uchana (Jind)	B.T. Cotton	Closed	4375	-
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	Closed	-
Hubli	B.T. Cotton	NA	Closed	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	Closed	Closed	-
	Kapas			
Ahmedabad	Shankar-6	4400	4400	Unch
Gondal	Shankar-6	4410	4390	20
	Kapas			
Jamner (Jalgaon)	Medium Staple	NA	4100	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	5495	-
Raichur	H-44 Cotton	NA	4225	-
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	3410	3415	-5
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3420	3425	-5
Sirsa	J-34	3350	3345	5

Mansa	J-34	Closed	3415	-
Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		25-Nov-15	24-Nov-15	
Amravati	Mech-1	17500	17300	200
Khandwa	Mech-1	Closed	1200	-
Khargaon	Mech-1	Closed	NA	-
Mahesana(Kadi)	B.T. Cotton	65000	45000	20000
Rajkot	B.T. Cotton	5075	2040	3035
Patan	B.T. Cotton	Closed	18032	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	929	871	58
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	Desi	500	400	100
Bhiwani	B.T. Cotton	5000	4000	1000
Adampur	B.T. Cotton	595	680	-85
Fatehabad	B.T. Cotton	700	650	50
Dabwali	B.T. Cotton	700	950	-250
Jind	B.T. Cotton	Closed	255	-
Uchana (Jind)	B.T. Cotton	Closed	1500	-
Rawatsar (Hanumangarh)	B.T. Cotton	Closed	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	NA	Closed	-
Ahmedabad	Shankar-6	51000	68000	-17000
Gondal	Shankar-6	4061	3598	463
Jamner (Jalgaon)	Medium Staple	NA	42	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	6	-
Raichur	H-44 Cotton	NA	1042	-
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	1700	3740	-2040
Sirsa	J-34	850	1020	-170
Mansa	J-34	Closed	680	-
Sri-Ganganagar	J-34	Closed	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				24-Nov-15	23-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30100	30100	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30600	30600	Unch
J-34(202)	26mm	3.5 - 4.9	23	31000	31100	-100
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	32500	32500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33000	33000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	44500	44500	Unch

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

Centre	Unit	Price		Change
		25-Nov-15	24-Nov-15	
Rajkot	Rs. /10 Kg.	580	582	-2
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	550	565	-15
Mumbai	Rs. /10 Kg.	582	582	Unch

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

Centre	Unit	Price		Change
		25-Nov-15	24-Nov-15	
Mahesana (Kadi)	Rs./Qtl	Closed	1697	-
Akola	Rs./Qtl	Closed	1703	-

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 25/11/2015

Index	Cents/lb	Change
FC Index (S)	73.64	-0.72
FC Index (M)	69.80	-8.89
FC Index (L)	67.74	-1.03

Cotlook Index: As on 24/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	68.30	-1.05

USDA Cotton Spot Rates: As on 24/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.19	66.44	1251
North Delta	62.19	64.94	NIL
South Delta	62.19	64.94	NIL
East TX-OK	59.50	61.50	1297
West Texas	59.50	61.75	4305
Desert SW	58.94	65.44	378
SJ Valley	59.94	69.84	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 24/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	60.49	60.89	60.40	60.60	0.44
16-Mar	61.61	62.29	61.61	61.94	0.34
16-May	62.50	63.09	62.50	62.77	0.29
16-Jul	63.18	63.63	63.18	63.34	0.21
16-Oct	62.80	62.80	62.80	62.80	0.21
16-Dec	63.78	63.98	63.53	63.69	0.11

Pakistan Cotton Spot rates: As on 24/11/2015 (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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