

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed mostly firm tone on Thursday.

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:

Cotton imports figures of China have been revised downwards by ICAC in its latest weekly estimates. According to ICAC, China is likely to import 1.21 million tons of cotton in 2015-16, which is around 10% lower when compared to 1.34 million tons, the previous week import estimates and around 33% lower than the imports figures of season 2014-15.

World cotton exports are likely to be around 7.35 million tons in 2015-16, around 1.34% lower than what was estimated a week ago i.e. 7.45 million tons, according to the latest weekly estimates by ICAC.

ICAC has revised the world cotton consumption estimates in its latest weekly report downwardly. World cotton consumption is likely to be around 24.35 million ton, around 0.52% lower than the estimates of previous week which were 24.48 million tons, said ICAC. However as compared to the previous year it would stand higher by around 0.45% as last year it was 24.24 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	12.5	842	854	842	851	4682	2156	13592	-15
Spread	Feb-16		Apr-16						
Spot	--		34						
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 25 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	200	15880	16030	15880	16010	127	49	1580	-380
Dec-15	160	15860	15950	15830	15930	1089	756	6230	-142
Jan-16	170	16010	16100	15960	16080	341	175	2324	91
Jan-16	170	16180	16300	16180	16270	84	29	1319	-21
Spread	Nov-15	Dec-15	Jan-16	Feb-16	--	--			
Spot	--								
Nov-15		80							
Dec-15			-150						
Jan-16				-190					
Feb-16									

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

* Updated at 5:00 pm on 25 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		26-Nov-15	25-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4150	Unch
Khandwa	Mech-1	NA	Closed	-
Khargaon	Mech-1	NA	Closed	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4400	4300	100
Rajkot	B.T. Cotton	4425	4405	20
Patan	B.T. Cotton	4435	Closed	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	4400	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4450	4450	Unch
Adampur	B.T. Cotton	4340	4275	65
Fatehabad	B.T. Cotton	4370	4320	50
Dabwali	B.T. Cotton	4300	4185	115
Jind	B.T. Cotton	4490	Closed	-
Uchana (Jind)	B.T. Cotton	4419	Closed	-
Rawatsar (Hanumangarh)	B.T. Cotton	4230	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	4200	NA	-
Hanumangarh	B.T. Cotton	4350	Closed	-
	Kapas			
Ahmedabad	Shankar-6	4450	4400	Unch
Gondal	Shankar-6	4440	4410	20
	Kapas			
Bhiwani	Desi	4325	4500	-175
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4300	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5590	NA	-
Raichur	H-44 Cotton	4300	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4009	NA	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs./Maund (of 37.32 Kg each)		
Abohar	J-34	3420	3410	10
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3425	3420	5
Sirsa	J-34	3365	3350	15
Mansa	J-34	3420	Closed	-

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

Centre	Variety	Arrivals (Qtl)		Change
		26-Nov-15	25-Nov-15	
Amravati	Mech-1	18200	17500	700
Khandwa	Mech-1	NA	Closed	-
Khargaon	Mech-1	NA	Closed	-
Mahesana(Kadi)	B.T. Cotton	65000	65000	Unch
Rajkot	B.T. Cotton	4080	5075	-995
Patan	B.T. Cotton	18301	Closed	-
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	929	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	5000	5000	Unch
Adampur	B.T. Cotton	1020	595	425
Fatehabad	B.T. Cotton	900	700	200
Dabwali	B.T. Cotton	1350	700	650
Jind	B.T. Cotton	425	Closed	-
Uchana (Jind)	B.T. Cotton	1200	Closed	-
Rawatsar (Hanumangarh)	B.T. Cotton	600	Closed	-
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	30	NA	-
Hanumangarh	B.T. Cotton	2000	NA	-
Ahmedabad	Shankar-6	59500	51000	-17000
Gondal	Shankar-6	5174	4061	463
Bhiwani	Desi	300	500	-200
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	350	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	66	NA	-
Raichur	H-44 Cotton	1057	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	680	Unch
Bhatinda	J-34	3400	1700	1700
Sirsa	J-34	1020	850	170
Mansa	J-34	595	Closed	-
Sri-Ganganagar	J-34	1000	Closed	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				25-Nov-15	24-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29800	30100	-300
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30300	30600	-300
J-34(202)	26mm	3.5 - 4.9	23	31100	31000	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
		26-Nov-15	25-Nov-15	
Rajkot	Rs. /10 Kg.	585	580	5
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	550	550	Unch
Mumbai	Rs. /10 Kg.	585	582	3

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

Centre	Unit	Price		Change
		26-Nov-15	25-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1702	Closed	-
Akola	Rs./Qtl	1701	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 26/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12951	-8
CCIndex(527)	11877	Unch
CCIndex(229)	13593	-2

China Foreign Cotton (FC) Index : As on 26/11/2015

Index	Cents/lb	Change
FC Index (S)	74.16	0.52
FC Index (M)	70.96	1.16
FC Index (L)	69.28	1.54

Cotlook Index: As on 25/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	68.55	0.25

USDA Cotton Spot Rates: As on 25/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.53	67.78	2203
North Delta	63.53	66.28	NIL
South Delta	63.53	66.28	NIL
East TX-OK	59.75	61.75	5332
West Texas	59.75	62.00	6639
Desert SW	60.28	66.78	NIL
SJ Valley	61.28	71.18	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 25/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	60.75	62.34	60.75	61.98	1.38
16-Mar	61.88	63.66	61.85	63.28	1.34
16-May	62.75	64.28	62.70	63.96	1.19
16-Jul	63.34	64.70	63.34	64.39	1.05
16-Oct	63.77	63.77	63.77	63.77	0.97
16-Dec	63.75	64.80	63.75	64.56	0.87

Pakistan Cotton Spot rates: As on 25/11/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5350	135	5485
Equivalent	40 Kgs	5734	145	5879

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