

Domestic Fundamentals:

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

In The News: Cotton production estimates of India are revised down by ICAC at 6.27 million tons, around 0.5% lower when compared to the estimates of previous week, which was 6.30 million tons. As compared to previous year, cotton production in country is likely to fall by around 3.7%, as it was 6.51 million tons previous season.

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.

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.

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	2.5	854	856	849	854.5	3023	-1659	13624	32
Spread	Feb-16		Apr-16						
Spot	--		29.5						
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 27 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	50	15950	16070	15930	16010	536	409	1448	-132
Dec-15	70	15930	16000	15870	15970	1197	108	6239	9
Jan-16	80	16070	16160	16010	16140	281	-60	2377	53
Jan-16	80	16280	16340	16240	16330	56	-28	1318	-1
Spread	Nov-15	Dec-15	Jan-16	Feb-16					
Spot	--								
Nov-15		40							
Dec-15			-170						
Jan-16				-190					
Feb-16									

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

* Updated at 5:00 pm on 27 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		27-Nov-15	26-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4150	Unch
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4500	4400	100
Rajkot	B.T. Cotton	4420	4425	-5
Patan	B.T. Cotton	4400	4435	-35
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4500	4450	50
Adampur	B.T. Cotton	4380	4340	40
Fatehabad	B.T. Cotton	4425	4370	55
Dabwali	B.T. Cotton	4330	4300	30
Jind	B.T. Cotton	4600	4490	110
Uchana (Jind)	B.T. Cotton	4438	4419	19
Rawatsar (Hanumangarh)	B.T. Cotton	4250	4230	20
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	4200	4200	Unch
Hanumangarh	B.T. Cotton	4400	4350	50
	Kapas			
Ahmedabad	Shankar-6	4450	4450	Unch
Gondal	Shankar-6	4450	4440	20
	Kapas			
Bhiwani	Desi	4550	4325	225
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	4300	4300	Unch
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	5590	-
Raichur	H-44 Cotton	4300	4300	Unch
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4009	4009	Unch
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs./Maund (of 37.32 Kg each)		
Abohar	J-34	3450	3420	30
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3450	3425	25
Sirsa	J-34	3390	3365	25
Mansa	J-34	3440	3420	20

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

Centre	Variety	Arrivals (Qtl)		Change
		27-Nov-15	26-Nov-15	
Amravati	Mech-1	18500	18200	300
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	45000	65000	-20000
Rajkot	B.T. Cotton	4825	4080	745
Patan	B.T. Cotton	21233	18301	2932
Deesa	B.T. Cotton	NA	NA	-
Dhrol	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	5000	5000	Unch
Adampur	B.T. Cotton	1190	1020	170
Fatehabad	B.T. Cotton	1200	900	300
Dabwali	B.T. Cotton	1450	1350	100
Jind	B.T. Cotton	170	425	-255
Uchana (Jind)	B.T. Cotton	1350	1200	150
Rawatsar (Hanumangarh)	B.T. Cotton	600	600	Unch
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	30	30	Unch
Hanumangarh	B.T. Cotton	2000	2000	Unch
Ahmedabad	Shankar-6	59500	59500	-17000
Gondal	Shankar-6	3624	5174	463
Bhiwani	Desi	200	300	-100
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	350	350	Unch
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	66	-
Raichur	H-44 Cotton	967	1057	-90
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	850	680	170
Bhatinda	J-34	3740	3400	340
Sirsa	J-34	1190	1020	170
Mansa	J-34	680	595	85
Sri-Ganganagar	J-34	200	1000	-800

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				26-Nov-15	25-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29800	29800	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30300	30300	Unch
J-34(202)	26mm	3.5 - 4.9	23	31300	31100	200
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	31600	31500	100
Shankar-6(105)	29mm	3.5 – 4.9	28	32400	32200	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32600	32500	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33100	33000	100
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
		27-Nov-15	26-Nov-15	
Rajkot	Rs. /10 Kg.	585	585	Unch
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	545	550	-5
Mumbai	Rs. /10 Kg.	585	585	Unch

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

Centre	Unit	Price		Change
		27-Nov-15	26-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1704	1702	2
Akola	Rs./Qtl	1705	1701	4

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 27/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12958	7
CCIndex(527)	11877	Unch
CCIndex(229)	13599	6

China Foreign Cotton (FC) Index : As on 27/11/2015

Index	Cents/lb	Change
FC Index (S)	74.16	0.60
FC Index (M)	70.96	Unch
FC Index (L)	69.28	Unch

Cotlook Index: As on 26/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.80	1.25

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 26/11/2015 (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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