

Domestic Fundamentals:

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

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
		28-Nov-15	27-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4150	Unch
Khandwa	Mech-1	NA	NA	-
Khargaan	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4550	4500	50
Rajkot	B.T. Cotton	4515	4420	95
Patan	B.T. Cotton	4445	4400	45
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	4500	Unch
Adampur	B.T. Cotton	4360	4380	-20
Fatehabad	B.T. Cotton	4425	4425	Unch
Dabwali	B.T. Cotton	4265	4330	-65
Jind	B.T. Cotton	4573	4600	-27
Uchana (Jind)	B.T. Cotton	4400	4438	-38
Rawatsar (Hanumangarh)	B.T. Cotton	4250	4250	Unch
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	4200	-
Hanumangarh	B.T. Cotton	4450	4400	50
	Kapas			
Ahmedabad	Shankar-6	4450	4450	Unch
Gondal	Shankar-6	4470	4450	20
	Kapas			
Bhiwani	Desi	4550	4550	Unch
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	4300	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	4300	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	4009	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs./Maund (of 37.32 Kg each)		
Abohar	J-34	3460	3450	10
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3460	3450	10
Sirsa	J-34	3420	3390	30
Mansa	J-34	3450	3440	10

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

Centre	Variety	Arrivals (Qtl)		Change
		28-Nov-15	27-Nov-15	
Amravati	Mech-1	20000	18500	1500
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	65000	45000	20000
Rajkot	B.T. Cotton	4360	4825	-465
Patan	B.T. Cotton	24095	21233	2862
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	6000	5000	1000
Adampur	B.T. Cotton	1020	1190	-170
Fatehabad	B.T. Cotton	900	1200	-300
Dabwali	B.T. Cotton	1300	1450	-150
Jind	B.T. Cotton	170	170	Unch
Uchana (Jind)	B.T. Cotton	1500	1350	150
Rawatsar (Hanumangarh)	B.T. Cotton	500	600	-100
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	30	-
Hanumangarh	B.T. Cotton	2000	2000	Unch
Ahmedabad	Shankar-6	54400	59500	-5100
Gondal	Shankar-6	3799	3624	175
Bhiwani	Desi	200	200	Unch
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	350	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	967	-
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	850	Unch
Bhatinda	J-34	3910	3740	170
Sirsa	J-34	1360	1190	170
Mansa	J-34	680	680	Unch
Sri-Ganganagar	J-34	200	200	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				27-Nov-15	26-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30000	29800	200
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30500	30300	200
J-34(202)	26mm	3.5 - 4.9	23	31400	31300	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31700	31600	100
Shankar-6(105)	29mm	3.5 - 4.9	28	32400	32400	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32700	32600	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33200	33100	100
DCH-32(107)	34mm	3.0 - 3.8	33	44800	44500	300

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

Centre	Unit	Price		Change
		28-Nov-15	27-Nov-15	
Rajkot	Rs. /10 Kg.	585	585	Unch
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	550	545	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
		28-Nov-15	27-Nov-15	
Mahesana (Kadi)	Rs./Qtl	Closed	1704	-
Akola	Rs./Qtl	Closed	1705	-

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 27/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.80	Unch

USDA Cotton Spot Rates: As on 27/8/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.43	65.18	NIL
North Delta	66.93	64.18	NIL
South Delta	66.93	64.18	NIL
East TX-OK	62.50	60.50	5352
West Texas	62.75	60.50	16613
Desert SW	67.43	60.93	NIL
SJ Valley	71.83	61.93	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 27/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	62.75	62.75	62.49	62.63	0.65
16-Mar	63.85	64.16	62.83	63.93	0.65
16-May	63.55	64.70	63.55	64.56	0.60
16-Jul	64.80	64.97	64.00	64.89	0.50
16-Oct	64.36	64.36	64.36	64.36	0.59
16-Dec	64.70	64.80	64.25	64.78	0.22

Pakistan Cotton Spot rates: As on 27/11/2015 (in Pakistan Rupees)

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

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