

Domestic Fundamentals:

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

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	8	825.5	834.5	816.5	833.5	6	-17	33	-19
Apr-16	-8.5	861	864	851	852	5487	2464	14207	583
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 5:50 pm on 30 November 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	30	16100	16190	16030	16130	1211	675	460	-988
Dec-15	-140	16120	16150	15800	15920	2641	1444	6115	-124
Jan-16	-140	16250	16300	16000	16090	1163	882	2451	74
Feb-16	-140	16410	16480	16220	16270	302	246	1389	71
Spread	Nov-15	Dec-15	Jan-16	Feb-16	--				
Spot	--								
Nov-15		210							
Dec-15			-170						
Jan-16				-180					
Feb-16									

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

* Updated at 5:50 pm on 30 November 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		30-Nov-15	28-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4150	Unch
Khandwa	Mech-1	4170	NA	-
Khargaon	Mech-1	4170	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4550	4550	Unch
Rajkot	B.T. Cotton	4525	4515	10
Patan	B.T. Cotton	4435	4445	-10
Deesa	B.T. Cotton	4400	NA	-
Dhrol	B.T. Cotton	4525	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4550	4500	50
Adampur	B.T. Cotton	4460	4360	100
Fatehabad	B.T. Cotton	4440	4425	15
Dabwali	B.T. Cotton	4350	4265	85
Jind	B.T. Cotton	4600	4573	27
Uchana (Jind)	B.T. Cotton	4520	4400	120
Rawatsar (Hanumangarh)	B.T. Cotton	4280	4250	30
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	4425	4450	-25
	Kapas			
Ahmedabad	Shankar-6	4500	4450	Unch
Gondal	Shankar-6	4490	4470	20
	Kapas			
Bhiwani	Desi	4500	4550	-50
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5680	NA	-
Raichur	H-44 Cotton	4360	NA	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs./Mound		

Abohar	J-34	3480	3460	20
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3475	3460	15
Sirsa	J-34	3430	3420	10
Mansa	J-34	3480	3450	30
Sri-Ganganagar	J-34	4273	4250	23

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		30-Nov-15	29-Nov-15	
Amravati	Mech-1	18300	20000	-1700
Khandwa	Mech-1	3000	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	100000	65000	35000
Rajkot	B.T. Cotton	3600	4360	-760
Patan	B.T. Cotton	19105	24095	-4990
Deesa	B.T. Cotton	6300	NA	-
Dhrol	B.T. Cotton	663	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	5000	6000	-1000
Adampur	B.T. Cotton	1190	1020	170
Fatehabad	B.T. Cotton	1400	900	500
Dabwali	B.T. Cotton	2000	1300	700
Jind	B.T. Cotton	425	170	255
Uchana (Jind)	B.T. Cotton	2200	1500	700
Rawatsar (Hanumangarh)	B.T. Cotton	1000	500	500
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	3000	2000	1000
Ahmedabad	Shankar-6	51000	54400	-17000
Gondal	Shankar-6	5158	3799	463
Bhiwani	Desi	200	200	Unch
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-

Hubli	D.C.H.	140	NA	-
Raichur	H-44 Cotton	1425	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	1020	850	170
Bhatinda	J-34	4250	3910	340
Sirsa	J-34	1700	1360	340
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	Rs. Per Candy	Change
				28-Nov-15	27-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	30000	30000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	30500	30500	Unch
J-34(202)	26mm	3.5 - 4.9	23	31600	31400	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31800	31700	100
Shankar-6(105)	29mm	3.5 - 4.9	28	32500	32400	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32800	32700	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33300	33200	100
DCH-32(107)	34mm	3.0 - 3.8	33	44800	44800	Unch

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

Centre	Unit	Price		Change
		30-Nov-15	28-Nov-15	
Rajkot	Rs. /10 Kg.	582	585	-3
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	555	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
		30-Nov-15	28-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1728	Closed	-
Akola	Rs./Qtl	1726	Closed	-

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 30/11/2015		
Index	RMB/Ton	Change
CCIndex(328)	12959	1
CCIndex(527)	11872	-5
CCIndex(229)	13597	-2

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 28/11/2015 (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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