

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed mostly weak tone on Tuesday.

In The News: Cotton production is expected to be around 350 lakh bales in India during the season 2015-16 and in Maharashtra it would be around 60-65 lakh bales, much lower from 75 lakh bales produced a year ago, said Maharashtra Cotton Growers' Federation.

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	-0.5	853	857	850	856	3858	835	14377	753
Spread	Feb-16		Apr-16						
Spot	--		39						
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 01 December 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-15	20	16100	16190	16030	16120	1211	675	460	-988
Dec-15	-60	15940	15980	15900	15940	877	-320	6094	-145
Jan-16	-60	16090	16150	16070	16100	703	422	2730	353
Jan-16	-70	16280	16340	16260	16290	268	212	1503	185
Spread	Nov-15	Dec-15	Jan-16	Feb-16					
Spot	--								
Nov-15		180							
Dec-15			-160						
Jan-16				-190					
Feb-16									

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

* Updated at 5:00 pm on 01 December 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		1-Dec-15	30-Nov-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4150	Unch
Khandwa	Mech-1	4100	4170	-70
Khargaon	Mech-1	4100	4170	-70
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4500	4550	-50
Rajkot	B.T. Cotton	4475	4525	-50
Patan	B.T. Cotton	4400	4435	-35
Deesa	B.T. Cotton	4375	4400	-25
Dhrol	B.T. Cotton	4495	4525	-30
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4500	4550	-50
Adampur	B.T. Cotton	4375	4460	-85
Fatehabad	B.T. Cotton	4400	4440	-40
Dabwali	B.T. Cotton	4300	4350	-50
Jind	B.T. Cotton	4500	4600	-100
Uchana (Jind)	B.T. Cotton	4446	4520	-74
Rawatsar (Hanumangarh)	B.T. Cotton	4225	4280	-55
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	4400	4425	-25
	Kapas			
Ahmedabad	Shankar-6	4450	4500	Unch
Gondal	Shankar-6	4480	4490	20
	Kapas			
Bhiwani	Desi	4600	4500	100
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	5680	-
Raichur	H-44 Cotton	NA	4360	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	4034	NA	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs./Maund (of 37.32 Kg each)		
Abohar	J-34	3460	3480	-20
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3450	3475	-25
Sirsa	J-34	3410	3430	-20
Mansa	J-34	3450	3480	-30

Sri-Ganganagar	J-34	4350	4273	77
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Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		1-Dec-15	30-Nov-15	
Amravati	Mech-1	20300	18300	2000
Khandwa	Mech-1	4500	3000	1500
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	85000	100000	-15000
Rajkot	B.T. Cotton	4000	3600	400
Patan	B.T. Cotton	23270	19105	4165
Deesa	B.T. Cotton	3375	6300	-2925
Dhrol	B.T. Cotton	898	663	235
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	10000	5000	5000
Adampur	B.T. Cotton	1190	1190	Unch
Fatehabad	B.T. Cotton	1500	1400	100
Dabwali	B.T. Cotton	1950	2000	-50
Jind	B.T. Cotton	425	425	Unch
Uchana (Jind)	B.T. Cotton	1800	2200	-400
Rawatsar (Hanumangarh)	B.T. Cotton	1000	1000	Unch
Hubli	B.T. Cotton	NA	NA	-
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	2000	3000	-1000
Ahmedabad	Shankar-6	68000	51000	-17000
Gondal	Shankar-6	5064	5158	463
Bhiwani	Desi	NA	200	-
Jamner (Jalgaon)	Medium Staple	NA	NA	-
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	140	-
Raichur	H-44 Cotton	NA	1425	-
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	1020	-170
Bhatinda	J-34	4250	4250	Unch
Sirsa	J-34	1700	1700	Unch
Mansa	J-34	850	680	170
Sri-Ganganagar	J-34	200	200	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				30-Nov-15	28-Nov-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	30000	30000	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30500	30500	Unch
J-34(202)	26mm	3.5 - 4.9	23	31700	31600	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31800	31800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	32500	32500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32800	32800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33300	33300	Unch
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
		1-Dec-15	30-Nov-15	
Rajkot	Rs. /10 Kg.	582	582	Unch
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	550	555	-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
		1-Dec-15	30-Nov-15	
Mahesana (Kadi)	Rs./Qtl	1717	1728	-11
Akola	Rs./Qtl	1728	1726	2

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 1/12/2015		
Index	RMB/Ton	Change
CCIndex(328)	12960	1
CCIndex(527)	11875	3
CCIndex(229)	13597	Unch

China Foreign Cotton (FC) Index : As on 1/12/2015

Index	Cents/lb	Change
FC Index (S)	74.06	-1.16
FC Index (M)	70.28	-1.08
FC Index (L)	68.54	-1.16

Cotlook Index: As on 30/11/2015

Cotlook Indices	Cents/Pound	Change
A-Index	70.55	0.75

USDA Cotton Spot Rates: As on 30/11/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	63.89	67.14	347
North Delta	62.89	65.64	NIL
South Delta	62.89	65.64	NIL
East TX-OK	59.25	61.25	2406
West Texas	59.25	61.50	7762
Desert SW	59.64	66.14	NIL
SJ Valley	60.64	70.54	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 30/11/2015

Contract	Open	High	Low	Close	Change
15-Dec	62.45	62.45	61.30	61.30	-1.33
16-Mar	63.95	64.10	62.28	62.64	-1.29
16-May	64.57	64.67	63.06	63.43	-1.13
16-Jul	64.90	64.93	63.68	63.98	-0.91
16-Oct	63.63	63.63	63.63	63.63	-0.73
16-Dec	64.75	64.80	64.00	64.34	-0.44

Pakistan Cotton Spot rates: As on 30/11/2015 (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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