

Domestic Fundamentals:

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

In The News: Cotton exports from India noticed a remarkable rise in November as compared to the previous month. During November the country exported around 12.46 lakh bales of cotton as compared to 4.63 lakh bales during the previous month and 7.34 lakh bales during the same month previous season. However imports fell to almost half the quantity exported previous month. Cotton imports during November was 0.55 lakh bales, which was 0.92 a month earlier and 1.98 lakh bales during the same month a year earlier.

Cotton consumption (total demand-exports) during the season 2015-16 would be around 325 lakh bales, around 3.17% higher as compared to the consumption during the previous season which was 315 lakh bales, according to Cotton Association of India (CAI).

India exported 4.00 lakh bales of cotton last week (23 Nov-29 Nov 2015), which was 2.691 lakh bales previous to last week (16 Nov-22 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.084 lakh bales last week, which was 0.152 lakh bales previous to last week.

Cotton Association of India (CAI) has kept intact its cotton production estimates in October release as it was in previous month. Cotton output according to CAI would be around 370.50 lakh bales of 170 kg each during 2015-16 as compared to 382.75 lakh bales in 2014-15.

India is likely to export around 10 lakh bales of cotton to Pakistan as the country has faced the severe crop loss due to rain and flood, said cotton association of India. According to market participants, the situation will lent support to the cotton prices in domestic market.

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.

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 Fundamentals:

According to Informa Economics, USA cotton production is likely to be around 12.9 million bales (of 480 pound each) in the season 2015-16, around 3.8 lakh bales lower than the official estimate of U.S. government which was 13.28 million bales.

Following the weaker Indonesian rupiah against the dollar and weaker demand from for Indonesian textile from major importer has led the cotton demand in the country to fall remarkably. Indonesian cotton imports will fall to 3.1 million bales in 2015-16 from 3.3 million bales in 2014-15.

In the latest estimates released by ABRES, cotton output figures have been revised upward for Australia. Cotton production in country is expected to be around 5.7 lakh tones according to the October estimates, around 21% higher when compared to the estimates of 4.7 lakh tons estimated in September.

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	-1.5	866	868	861	865.5	2787	-1536	14359	-542
Spread	Feb-16		Apr-16						
Spot	--		35.5						
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 08 December 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-15	-20	16120	16150	16070	16140	302	-425	5425	-96
Jan-16	-20	16230	16280	16190	16260	419	-259	3582	145
Feb-16	-10	16420	16450	16380	16440	45	-86	1692	65
Mar-16	-50	16620	16620	16620	16620	1	-9	242	0
Spread	Dec-15	Jan-16	Feb-16	Mar-16	--	--			
Spot	--								
Dec-15		-120							
Jan-16			-180						
Feb-16				-180					
Mar-16									

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

* Updated at 5:00 pm on 08 December 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		8-Dec-15	7-Dec-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4125	4125	Unch
Khandwa	Mech-1	4200	4200	Unch
Khargaon	Mech-1	4200	4200	Unch
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4600	4600	Unch
Rajkot	B.T. Cotton	4505	4550	-45
Patan	B.T. Cotton	4400	4480	-80
Deesa	B.T. Cotton	4400	NA	-
Dhrol	B.T. Cotton	4480	4605	-125
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4500	4500	Unch
Adampur	B.T. Cotton	4375	4375	Unch
Fatehabad	B.T. Cotton	4390	NA	-
Dabwali	B.T. Cotton	4260	4290	-30
Jind	B.T. Cotton	4350	4280	70
Uchana (Jind)	B.T. Cotton	4377	4430	-53
Rawatsar (Hanumangarh)	B.T. Cotton	4270	4260	10
Hubli	B.T. Cotton	NA	4559	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	4375	4350	25
	Kapas			
Ahmedabad	Shankar-6	4500	4550	-50
Gondal	Shankar-6	4495	4500	-5
	Kapas			
Bhiwani	Desi	4500	4600	-100
Jamner (Jalgaon)	Medium Staple	4100	4100	Unch
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	4450	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	4100	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs/Maund (of 37.32 kg each)		
Abohar	J-34	3450	3460	-10
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3460	3470	-10
Sirsa	J-34	3415	3420	-5
Mansa	J-34	3440	3465	-25

Sri-Ganganagar	Kapas	4300	4325	-25
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Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		8-Dec-15	7-Dec-15	
Amravati	Mech-1	22000	23000	-1000
Khandwa	Mech-1	5000	5000	Unch
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	85000	80000	5000
Rajkot	B.T. Cotton	85000	6100	78900
Patan	B.T. Cotton	22000	22127	-127
Deesa	B.T. Cotton	1500	NA	-
Dhrol	B.T. Cotton	985	842	143
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	5000	8000	-3000
Adampur	B.T. Cotton	1020	850	170
Fatehabad	B.T. Cotton	1500	NA	-
Dabwali	B.T. Cotton	1100	1900	-800
Jind	B.T. Cotton	238	255	-17
Uchana (Jind)	B.T. Cotton	2000	2200	-200
Rawatsar (Hanumangarh)	B.T. Cotton	2000	1500	500
Hubli	B.T. Cotton	NA	164	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	2500	3000	-500
Ahmedabad	Shankar-6	59500	59500	Unch
Gondal	Shankar-6	4197	4212	-15
Bhiwani	Desi	500	500	Unch
Jamner (Jalgaon)	Medium Staple	43	23	20
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	190	-
Raichur	H-44 Cotton	NA	1545	-
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	1360	-510
Bhatinda	J-34	8500	8500	Unch
Sirsa	J-34	1700	2550	-850
Mansa	J-34	1020	1020	Unch
Sri-Ganganagar	Kapas	1000	1000	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				7-Dec-15	5-Dec-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29600	29600	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30100	30100	Unch
J-34(202)	26mm	3.5 - 4.9	23	31700	31700	Unch
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	32100	32000	100
Shankar-6(105)	29mm	3.5 – 4.9	28	32900	32800	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32900	32800	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33800	33600	200
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

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

Centre	Unit	Price		Change
		8-Dec-15	7-Dec-15	
Rajkot	Rs. /10 Kg.	590	595	-5
New Delhi	Rs. /10 Kg.		575	
Hyderabad	Rs. /10 Kg.	580	580	Unch
Mumbai	Rs. /10 Kg.	588	585	3

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

Centre	Unit	Price		Change
		8-Dec-15	7-Dec-15	
Mahesana (Kadi)	Rs./Qtl	1759	1750	9
Akola	Rs./Qtl	1736	1727	9

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 08/12/2015		
Index	RMB/Ton	Change
CCIndex(328)	12948	-1
CCIndex(527)	11885	5
CCIndex(229)	13593	-3

China Foreign Cotton (FC) Index : As on 08/12/2015

Index	Cents/lb	Change
FC Index (S)	75.61	-0.20
FC Index (M)	71.79	-0.19
FC Index (L)	70.28	-0.24

Cotlook Index: As on 07/12/2015

Cotlook Indices	Cents/Pound	Change
A-Index	71.70	0.70

USDA Cotton Spot Rates: As on 07/12/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.57	68.82	1584
North Delta	64.57	67.32	NIL
South Delta	64.57	67.32	NIL
East TX-OK	61.75	63.75	2608
West Texas	61.75	64.00	17755
Desert SW	61.32	67.57	3325
SJ Valley	62.57	72.47	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 07/12/2015

Contract	Open	High	Low	Close	Change
15-Dec	63.25	63.49	61.30	62.40	-0.83
16-Mar	64.77	64.78	64.07	64.57	-0.14
16-May	65.28	65.35	64.72	65.28	Unch
16-Jul	65.54	65.75	65.07	65.70	0.12
16-Oct	64.18	65.13	64.18	65.13	0.20
16-Dec	65.29	65.60	65.07	65.59	0.09

Pakistan Cotton Spot rates: As on 07/12/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5200	135	5335
Equivalent	40 Kgs	5573	145	5718

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