

Domestic Fundamentals:

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

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	6.5	867	874.5	865.5	873.5	4200	1413	14167	-192
Spread	Feb-16		Apr-16						
Spot	--		31.5						
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 09 December 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-15	100	16160	16250	16140	16230	608	306	5328	-97
Jan-16	110	16280	16370	16260	16360	807	388	4027	445
Feb-16	110	16470	16540	16450	16520	194	149	1788	96
Mar-16	80	16700	16700	16680	16700	22	21	231	-11
Spread	Dec-15	Jan-16	Feb-16	Mar-16	--	--			
Spot	--								
Dec-15		-130							
Jan-16			-160						
Feb-16				-180					
Mar-16									

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

* Updated at 5:00 pm on 09 December 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		9-Dec-15	8-Dec-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4110	4125	-15
Khandwa	Mech-1	NA	4200	-
Khargaon	Mech-1	NA	4200	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4575	4600	-25
Rajkot	B.T. Cotton	4525	4505	20
Patan	B.T. Cotton	4440	4400	40
Deesa	B.T. Cotton	4400	4400	Unch
Dhrol	B.T. Cotton	4485	4480	5
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4510	4500	10
Adampur	B.T. Cotton	4370	4375	-5
Fatehabad	B.T. Cotton	4380	4390	-10
Dabwali	B.T. Cotton	4275	4260	15
Jind	B.T. Cotton	4300	4350	-50
Uchana (Jind)	B.T. Cotton	4385	4377	8
Rawatsar (Hanumangarh)	B.T. Cotton	4250	4270	-20
Hubli	B.T. Cotton	NA	4589	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	4350	4375	-25
	Kapas			
Ahmedabad	Shankar-6	4500	4500	Unch
Gondal	Shankar-6	4505	4495	10
	Kapas			
Bhiwani	Desi	4510	4500	10
Jamner (Jalgaon)	Medium Staple	4100	4100	Unch
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	4589	-
Raichur	H-44 Cotton	NA	4450	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	4100	4100	Unch
	Lint	Rs/Maund (of 37.32 Kg each)		
Abohar	J-34	3445	3450	-5
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3465	3460	5
Sirsa	J-34	3400	3415	-15
Mansa	J-34	3440	3440	Unch

Sri-Ganganagar	Kapas	4290	4300	-10
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Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		9-Dec-15	8-Dec-15	
Amravati	Mech-1	22000	22000	Unch
Khandwa	Mech-1	NA	5000	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	100000	85000	15000
Rajkot	B.T. Cotton	6000	85000	-79000
Patan	B.T. Cotton	19635	22000	-2365
Deesa	B.T. Cotton	1500	1500	Unch
Dhrol	B.T. Cotton	782	985	-203
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	6000	5000	1000
Adampur	B.T. Cotton	1190	1020	170
Fatehabad	B.T. Cotton	1700	1500	200
Dabwali	B.T. Cotton	1150	1100	50
Jind	B.T. Cotton	340	238	102
Uchana (Jind)	B.T. Cotton	2500	2000	500
Rawatsar (Hanumangarh)	B.T. Cotton	2000	2000	Unch
Hubli	B.T. Cotton	NA	26	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	3500	2500	1000
Ahmedabad	Shankar-6	64600	59500	5100
Gondal	Shankar-6	3976	4197	-221
Bhiwani	Desi	500	500	Unch
Jamner (Jalgaon)	Medium Staple	49	43	6
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	30	-
Raichur	H-44 Cotton	NA	1417	-
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	1360	850	510
Bhatinda	J-34	8500	8500	Unch
Sirsa	J-34	2550	1700	850
Mansa	J-34	680	1020	-340
Sri-Ganganagar	Kapas	1500	1000	500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				8-Dec-15	7-Dec-15	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29500	29600	-100
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30000	30100	-100
J-34(202)	26mm	3.5 - 4.9	23	31600	31700	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32000	32100	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	32800	32900	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	32800	32900	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	33700	33800	-100
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
		9-Dec-15	8-Dec-15	
Rajkot	Rs. /10 Kg.	585	590	-5
New Delhi	Rs. /10 Kg.	570	570	Unch
Hyderabad	Rs. /10 Kg.	575	580	-5
Mumbai	Rs. /10 Kg.	590	588	2

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

Centre	Unit	Price		Change
		9-Dec-15	8-Dec-15	
Mahesana (Kadi)	Rs./Qtl	1753	1759	-6
Akola	Rs./Qtl	1740	1736	4

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 09/12/2015		
Index	RMB/Ton	Change
CCIndex(328)	12945	-3
CCIndex(527)	11880	-5
CCIndex(229)	13588	-5

China Foreign Cotton (FC) Index : As on 09/12/2015

Index	Cents/lb	Change
FC Index (S)	75.41	-0.20
FC Index (M)	71.75	-0.04
FC Index (L)	70.19	-0.09

Cotlook Index: As on 08/12/2015

Cotlook Indices	Cents/Pound	Change
A-Index	71.30	-0.40

USDA Cotton Spot Rates: As on 08/12/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.44	68.69	4185
North Delta	64.44	67.19	NIL
South Delta	64.44	67.19	NIL
East TX-OK	61.75	63.75	2599
West Texas	61.75	64.00	11543
Desert SW	61.19	67.44	1757
SJ Valley	62.44	72.34	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 08/12/2015

Contract	Open	High	Low	Close	Change
15-Dec	62.27	62.27	62.27	62.27	-0.13
16-Mar	64.57	64.70	63.97	64.44	-0.13
16-May	65.29	65.45	64.71	65.21	-0.07
16-Jul	65.55	65.93	65.21	65.77	0.07
16-Oct	65.20	65.20	65.20	65.20	0.07
16-Dec	65.61	65.78	65.20	65.71	0.12

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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