

Domestic Fundamentals:

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

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	-3.5	877	877.5	873	876.5	3278	-922	14037	-130
Spread	Feb-16		Apr-16						
Spot	--		28.5						
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 10 December 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-15	-10	16230	16290	16180	16290	572	-36	5123	-205
Jan-16	-20	16350	16400	16290	16390	683	-124	4336	309
Feb-16	-30	16490	16540	16450	16540	208	14	1895	107
Mar-16	-20	16670	16730	16660	16700	32	10	249	18
Spread	Dec-15	Jan-16	Feb-16	Mar-16					
Spot	--								
Dec-15		-100							
Jan-16			-150						
Feb-16				-160					
Mar-16									

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

* Updated at 5:00 pm on 10 December 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		10-Dec-15	9-Dec-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4150	4110	40
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4575	4575	Unch
Rajkot	B.T. Cotton	4565	4525	40
Patan	B.T. Cotton	4505	4440	65
Deesa	B.T. Cotton	4390	4400	-10
Dhrol	B.T. Cotton	NA	4485	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4525	4510	15
Adampur	B.T. Cotton	4385	4370	15
Fatehabad	B.T. Cotton	4380	4380	Unch
Dabwali	B.T. Cotton	NA	4275	-
Jind	B.T. Cotton	4414	4300	114
Uchana (Jind)	B.T. Cotton	4396	4385	11
Rawatsar (Hanumangarh)	B.T. Cotton	4250	4250	Unch
Hubli	B.T. Cotton	NA	4569	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	4400	4350	50
	Kapas			
Ahmedabad	Shankar-6	4550	4500	50
Gondal	Shankar-6	4515	4505	10
	Kapas			
Bhiwani	Desi	4450	4510	-60
Jamner (Jalgaon)	Medium Staple	4152	4100	52
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	NA	-
East Godavari	Un-Ginned	NA	4100	-
	Lint	Rs/Maund (of 37.32 Kg each)		
Abohar	J-34	3450	3445	5
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3465	3465	Unch
Sirsa	J-34	3425	3400	25
Mansa	J-34	3435	3440	-5

Sri-Ganganagar	Kapas	4270	4290	-20
----------------	-------	------	------	------------

Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		10-Dec-15	9-Dec-15	
Amravati	Mech-1	25000	22000	3000
Khandwa	Mech-1	NA	NA	-
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	100000	100000	Unch
Rajkot	B.T. Cotton	5000	6000	-1000
Patan	B.T. Cotton	13110	19635	-6525
Deesa	B.T. Cotton	990	1500	-510
Dhrol	B.T. Cotton	NA	782	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4000	6000	-2000
Adampur	B.T. Cotton	1020	1190	-170
Fatehabad	B.T. Cotton	1500	1700	-200
Dabwali	B.T. Cotton	NA	1150	-
Jind	B.T. Cotton	153	340	-187
Uchana (Jind)	B.T. Cotton	2000	2500	-500
Rawatsar (Hanumangarh)	B.T. Cotton	2000	2000	Unch
Hubli	B.T. Cotton	NA	76	-
Hathras	B.T. Cotton(US)	NA	NA	-
Hanumangarh	B.T. Cotton	3000	3500	900
Ahmedabad	Shankar-6	59500	64600	-5100
Gondal	Shankar-6	3600	3976	-376
Bhiwani	Desi	600	500	100
Jamner (Jalgaon)	Medium Staple	60	49	11
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	NA	NA	-
Raichur	H-44 Cotton	NA	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	1360	-340
Bhatinda	J-34	8500	8500	Unch
Sirsa	J-34	2040	2550	-510
Mansa	J-34	680	680	Unch
Sri-Ganganagar	Kapas	1500	1500	Unch

Cotton Association of India Spot Rates:

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

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

Centre	Unit	Price		Change
		10-Dec-15	9-Dec-15	
Mahesana (Kadi)	Rs./Qtl	1760	1753	7
Akola	Rs./Qtl	1748	1740	8

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 10/12/2015		
Index	RMB/Ton	Change
CCIndex(328)	12942	-3
CCIndex(527)	11880	Unch
CCIndex(229)	13581	-7

China Foreign Cotton (FC) Index : As on 10/12/2015

Index	Cents/lb	Change
FC Index (S)	75.65	0.24
FC Index (M)	72.00	0.25
FC Index (L)	70.49	0.30

Cotlook Index: As on 09/12/2015

Cotlook Indices	Cents/Pound	Change
A-Index	71.00	-0.30

USDA Cotton Spot Rates: As on 09/12/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.81	69.06	2320
North Delta	64.81	67.56	NIL
South Delta	64.81	67.56	1265
East TX-OK	62.00	64.00	11688
West Texas	62.00	64.25	21787
Desert SW	61.56	67.81	NIL
SJ Valley	62.81	72.71	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 09/12/2015

Contract	Open	High	Low	Close	Change
15-Dec	64.44	65.23	64.03	64.81	0.37
16-Mar	65.21	65.80	64.77	65.56	0.35
16-May	65.67	66.31	65.38	66.14	0.37
16-Jul	65.47	65.47	65.47	65.47	0.27
16-Oct	65.60	65.95	65.25	65.90	0.19
16-Dec	65.63	66.07	65.63	66.07	0.19

Pakistan Cotton Spot rates: As on 09/12/2015 (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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2015 Indian Agribusiness Systems Pvt. Ltd.