

Domestic Fundamentals:

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

In The News: India exported 4.24 lakh bales of cotton last week (07 Dec-13 Dec 2015), which was 3.37 lakh bales previous to last week (30 Nov-06 Dec 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.1 lakh bales last week, which was 0.09 lakh bales previous to last week.

Cotton farmers in Gujarat may get bonus on the sale of cotton crop, besides the MSP of Rs 810 per 20 kg as government is planning to support farmers by providing the monetary benefits and eliminating despair among the cotton farmers occurs often due to risk associated with the crop.

Cotton ending stocks in India is likely to go down by around 8% this year as compared to the previous year. According to USDA, cotton stocks would stand around 2.69 million tons by the end of season 2015-16 as compared to 2.93 million tons previous season.

Cotton consumption in India is likely to be around 5.50 million tons in season 2015-16, which was estimated to be around 5.55 million tons a month earlier. Although the consumption figures has been revised downward this month by USDA, the same would be standing around 3% higher as compared to the previous year's consumption of 5.33 million tons.

India is likely to export 1.15 million tons (around 67.6 lakh bales of 170 kg each) of cotton in season 2015-16, around 26.3% higher as compared to 0.91 million tons, the volume it exported in the previous season, according to USDA.

India exported 3.37 lakh bales of cotton last week (30 Nov-06 Dec 2015), which was 4.00 lakh bales previous to last week (23 Nov-29 Nov 2015), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.09 lakh bales last week, which was 0.084 lakh bales previous to last week.

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 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.

International Fundamentals:

Cotton farmers in Gujarat may get bonus on the sale of cotton crop, besides the MSP of Rs 810 per 20 kg as government is planning to support farmers by providing the monetary benefits and eliminating despair among the cotton farmers occurs often due to high risk associated with the crop.

Cotton prices are expected to plunge up in international market as the USDA has revised the export figures for the season 2015-16 upwards. According to USDA, cotton exports in the current season would be around 7.69 million tons, around 3% higher when compared to the estimates of previous season. However the export would be on the lower side as compared to the previous season, when it was 7.70 million tons, said USDA.

Cotton ending stocks during the season 2015-16 are expected to be around 22.72 million tons, around 1.6% lower when compared to the estimates of previous month and around 7% lower as compared to the ending stocks of 24.38 million tons in the season 2014-15, according to USDA.

Outlook

We expect domestic prices to remain range bound to firm 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	879.5	887	876.5	885.5	6242	-869	15006	580
Spread	Feb-16		Apr-16						
Spot	--		44.5						
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 16 December 2015

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-15	50	16270	16320	16180	16300	1083	251	3957	-329
Jan-16	60	16410	16460	16310	16440	2098	680	5656	435
Feb-16	70	16560	16620	16470	16600	608	171	2525	239
Mar-16	70	16730	16790	16670	16790	119	66	520	137
Spread	Dec-15	Jan-16	Feb-16	Mar-16	--	--			
Spot	--								
Dec-15		-140							
Jan-16			-160						
Feb-16				-190					
Mar-16									

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

* Updated at 5:00 pm on 16 December 2015

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Centre	Variety	Prices		Change
		16-Dec-15	15-Dec-15	
	Kapas	(Rs./Qtl)		
Amravati	Mech-1	4175	4200	-25
Khandwa	Mech-1	4300	3600	700
Khargaon	Mech-1	4300	NA	-
	Kapas			
Mahesana(Kadi)	B.T. Cotton	4700	4600	100
Rajkot	B.T. Cotton	4650	4655	-5
Patan	B.T. Cotton	4550	4600	-50
Deesa	B.T. Cotton	4500	4455	45
Dhrol	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4625	4650	-25
Adampur	B.T. Cotton	4475	4545	-70
Fatehabad	B.T. Cotton	4535	4580	-45
Dabwali	B.T. Cotton	4365	4415	-50
Jind	B.T. Cotton	4600	4638	-38
Uchana (Jind)	B.T. Cotton	4520	4580	-60
Rawatsar (Hanumangarh)	B.T. Cotton	4350	4220	130
Hubli	B.T. Cotton	4611	4611	Unch
Hathras	B.T. Cotton	4150	4150	Unch
Hanumangarh	B.T. Cotton	4480	4525	-45
	Kapas			
Ahmedabad	Shankar-6	4600	4600	Unch
Gondal	Shankar-6	4600	4650	-50
	Kapas			
Bhiwani	Desi	4525	4550	-25
Jamner (Jalgaon)	Medium Staple	4210	4200	10
Hathras	Desi	3300	3300	Unch
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	5585	5760	-175
Raichur	H-44 Cotton	4450	4455	-5
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	3450	3460	-10
Muktsar	J-34	NA	NA	-
Fazilika	J-34	NA	NA	-
Bhatinda	J-34	3490	3465	25
Sirsa	J-34	3450	3465	-15
Mansa	J-34	3450	3450	Unch

Sri-Ganganagar	J-34	4425	4400	25
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Cotton Arrivals in Key Centers:

Centre	Variety	Arrivals (Qtl)		Change
		16-Dec-15	15-Dec-15	
Amravati	Mech-1	28000	25000	3000
Khandwa	Mech-1	1500	2000	-500
Khargaon	Mech-1	NA	NA	-
Mahesana(Kadi)	B.T. Cotton	70000	65000	5000
Rajkot	B.T. Cotton	4450	4000	450
Patan	B.T. Cotton	7850	9940	-2090
Deesa	B.T. Cotton	3000	3250	-250
Dhrol	B.T. Cotton	NA	NA	-
Fazilika	B.T. Cotton	NA	NA	-
Muktsar	B.T. Cotton	NA	NA	-
Bhiwani	B.T. Cotton	4000	4000	Unch
Adampur	B.T. Cotton	1020	1020	Unch
Fatehabad	B.T. Cotton	1000	1200	-200
Dabwali	B.T. Cotton	715	550	165
Jind	B.T. Cotton	298	225	73
Uchana (Jind)	B.T. Cotton	1800	1800	Unch
Rawatsar (Hanumangarh)	B.T. Cotton	1500	1500	Unch
Hubli	B.T. Cotton	22	84	-62
Hathras	B.T. Cotton	NA	NA	-
Hanumangarh	B.T. Cotton	3000	3000	Unch
Ahmedabad	Shankar-6	51000	57800	-6800
Gondal	Shankar-6	3558	3246	312
Bhiwani	Desi	500	500	Unch
Jamner (Jalgaon)	Medium Staple	90	102	-12
Hathras	Desi	NA	NA	-
Bijapur	Bunny	NA	NA	-
Hubli	D.C.H.	24	60	-36
Raichur	H-44 Cotton	1365	1477	-112
Guntur	Un-Ginned	NA	NA	-
Kurnool	Un-Ginned	NA	NA	-
Krishna	Un-Ginned	NA	NA	-
East Godavari	Un-Ginned	NA	NA	-
Abohar	J-34	1190	1530	-340
Bhatinda	J-34	9350	8500	850
Sirsa	J-34	1700	2720	-1020
Mansa	J-34	595	595	Unch
Sri-Ganganagar	J-34	1000	300	700

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				15-Dec-15	14-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	32000	32000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32400	32400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33200	33200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33200	33200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34100	34100	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
		16-Dec-15	15-Dec-15	
Rajkot	Rs. /10 Kg.	585	585	Unch
New Delhi	Rs. /10 Kg.	575	575	Unch
Hyderabad	Rs. /10 Kg.	570	570	Unch
Mumbai	Rs. /10 Kg.	587	587	Unch

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

Centre	Unit	Price		Change
		16-Dec-15	15-Dec-15	
Mahesana (Kadi)	Rs./Qtl	1873	1894	-21
Akola	Rs./Qtl	1842	1860	-18

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 16/12/2015		
Index	RMB/Ton	Change
CCIndex(328)	12925	-3
CCIndex(527)	11879	-1
CCIndex(229)	13569	-4

China Foreign Cotton (FC) Index : As on 15/12/2015

Index	Cents/lb	Change
FC Index (S)	74.19	-0.28
FC Index (M)	70.93	-0.13
FC Index (L)	69.00	-0.25

Cotlook Index: As on 15/12/2015

Cotlook Indices	Cents/Pound	Change
A-Index	69.90	-0.25

USDA Cotton Spot Rates: As on 15/12/2015

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	64.31	67.56	2764.00
North Delta	63.31	66.06	NIL
South Delta	63.31	66.06	NIL
East TX-OK	60.75	62.75	1975.00
West Texas	60.75	63.00	4375.00
Desert SW	60.06	66.31	NIL
SJ Valley	61.31	71.21	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 15/12/2015

Contract	Open	High	Low	Close	Change
16-Mar	63.38	64.00	63.03	63.31	-0.07
16-May	64.17	64.68	63.84	64.08	-0.07
16-Jul	64.77	65.19	64.45	64.71	-0.06
16-Oct	64.38	64.38	64.38	64.38	-0.04
16-Dec	64.69	64.99	64.42	64.72	0.03
17-Mar	65.21	65.35	65.11	65.11	Unch

Pakistan Cotton Spot rates: As on 15/12/2015 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5250	135	5385
Equivalent	40 Kgs	5626	145	5771

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