

## Domestic Fundamentals:

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

**In The News:** India exported 2.29 lakh bales of cotton last week (01 Feb-07 Feb 2016), which was 2.23 lakh bales previous to last week (25 Jan-31 Jan 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.104 lakh bales last week, which was 0.069 lakh bales previous to last week.

Major importer of Indian cotton during the week was Bangladesh. According to the data released by IBIS, Bangladesh imported 0.87 lakh bales of cotton in the past week (01 Feb-07 Feb 2016). Other major importers were Pakistan, Vietnam, Indonesia and China and their imported volumes were 0.83 lakh bales, 0.21 lakh bales, 0.15 lakh bales and 0.08 lakh bales respectively. India imported cotton from Greece, Argentina, Australia followed by USA and Egypt. The respective volumes these countries exported to India during the week are 0.029 lakh bales, 0.024 lakh bales, 0.018 lakh bales, 0.014 lakh bales, 0.009 Lakh Bales.

Monthly cotton exports during January noticed a downtrend as the demand from overseas remained weak during the month. Country exported 8.85 lakh bales of cotton during January around 46.8% lower compared to the exports of 16.64 lakh bales previous month and 32% higher compared to the exports of 6.71 lakh bales during the corresponding month last year, according to custom data released by IBIS. The major export destinations during January were Bangladesh, Pakistan, Vietnam, Malaysia and Indonesia. Total exports in the current season so far (during the period of October'15 to January'16) stood at 42.6 lakh bales around 63.6% higher when compared to 26.04 lakh bales, the export during the corresponding period last season i.e. 2014-15.

Mahyco Monsanto, a joint venture of US agriculture company Monsanto and Indian counterpart Maharashtra Hybrid seeds Company (Mahyco) has moved to Delhi High Court once again, requesting a stay on the functioning of the a nine member committee formed to set the maximum selling price (MSP) of cotton seed.

Cotton exports from India are likely to stand around 21.27% higher at 70 lakh bales this season that is 2015-16 as compared to 57.72 lakh bales previous season, according to the Textile Commissioner. The rise in exports is basically due to the drastic rise in cotton imports by Pakistan following the crop damage in the Punjab region of the country. Around 16.60 lakh bales of cotton has been imported by Pakistan so far in the current season as compared to the 3.79 lakh bales in the entire season of 2014-15.

India is likely to produce 35.2 million bales of cotton in season 2015-16, 3.6 percent lower as compared to previous estimates, according to a senior government official. Last year the country produced around 38 million bales of cotton.

According to the second advance estimates released by the State agriculture department of Rajasthan, cotton production in the state is likely to be around 9.55 lakh bales around 38% lower as compared to the previous estimates of 15.36 lakh bales which were forecasted in September. Last season the state produced around 15.27 lakh bales of cotton, said the department.

### International Fundamentals:

Cotton yield in China is falling with the rate of 9.3 percent every year, said National Bureau of Statistics. Due to the fall in the yield and acreage, cotton production in China is likely to lag by 5.74 lakh tons in 2015, said NBS. Cotton acreage in country fell by around 10% to 37.99 lakh hectares in 2015.

According to the latest estimates by International cotton Advisory Committee (ICAC), cotton production on the global front during the season 2016-17 would be around 23.08 million tons, around 2.8% higher when compared to the estimates of 22.46 million tons in the current season.

According to the latest ICAC weekly report, cotton exports on the global front are likely to be around 7.42 million tons in season 2015-16, around 0.3% lower when compared to the estimates of 7.44 million tons previous week and around 3.6% lower when compared to the exports of 7.70 million tons during the previous season.

### Outlook

We expect domestic prices to remain range bound to weak in the near -term.

#### NCDEX Kapas Futures\*: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	--	--	--	--	--	--	--	--	--
Apr-16	-11.5	782	782	770.5	772.5	6290	-2713	17371	599
Spread	Feb-16		Apr-16						
Spot	--		185.5						
Feb-16	--		--						

(NB: Spread was done by taking avg. spot prices at Rajkot – B.T. Cotton market. Basis = Spot- Near Month Future)

\*Updated at 4:45 pm on 10 February 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	-200	16230	16230	16030	16060	907	-1131	5729	-760
Mar-16	-170	16270	16270	16000	16150	833	-1896	5348	-154
Apr-16	-200	16290	16290	16180	16210	155	-642	1656	140
May-16	-140	16300	16320	16300	16320	3	-23	65	42
Spread	Feb-16	Mar-16	Apr-16	May-16	--	--			
Spot	--								
Feb-16		-90							
Mar-16			-60						
Apr-16				-110					

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

\* Updated at 4:45 pm on 10 February 2016

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	10-Feb-16	9-Feb-16	
<b>Gujarat</b>	Ahmedabad	Shankar-6	4650	4675	<b>-25</b>
	Gondal	Shankar-6	4715	4725	<b>-10</b>
	Rajkot	B.T. Cotton	4790	NA	-
	Patan	B.T. Cotton	4675	4730	<b>-55</b>
	Kadi	B.T. Cotton	4700	4750	<b>-50</b>
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	4800	4800	<b>Unch</b>
	Bhiwani	Desi	4500	4550	<b>-50</b>
	Adampur	B.T. Cotton	4580	4615	<b>-35</b>
	Fatehabad	B.T. Cotton	4580	4580	<b>Unch</b>
	Jind	B.T. Cotton	4700	4750	<b>-50</b>
	Uchana	B.T. Cotton	4655	4700	<b>-45</b>
	Dabwali	B.T. Cotton	4500	4500	<b>Unch</b>
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	4650	4600	<b>50</b>
	Rawatsar	B.T. Cotton	4470	4500	<b>-30</b>
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	4581	-
	Khargaon	Mech-1	NA	4685	-
<b>Maharashtra</b>	Amravati	Mech-1	4500	4700	<b>-200</b>
	Jamner	Medium Staple	4500	4550	<b>-50</b>
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	3650	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	4275	4300	<b>-25</b>
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	NA	-
	East Godavari	Un-Ginned	NA	4100	-
<b>Karnataka</b>	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	4710	4693	<b>17</b>
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4700	4600	<b>100</b>
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Feb-16	9-Feb-16	
<b>Punjab</b>	Bhatinda	J-34	3480	3510	<b>-30</b>
	Abohar	J-34	3490	3520	<b>-30</b>

	Mansa	J-34	3475	3500	<b>-25</b>
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	3460	3490	<b>-30</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Feb-16	9-Feb-16	
<b>Gujarat</b>	Ahmedabad	Shankar-6	59500	59500	<b>Unch</b>
	Gondal	Shankar-6	3400	4003	<b>-603</b>
	Rajkot	B.T. Cotton	4600	NA	-
	Patan	B.T. Cotton	4265	3960	<b>305</b>
	Kadi	B.T. Cotton	65000	65000	<b>Unch</b>
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	1500	2000	<b>-500</b>
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	425	<b>-85</b>
	Fatehabad	B.T. Cotton	600	600	<b>Unch</b>
	Jind	B.T. Cotton	94	102	<b>-8</b>
	Uchana	B.T. Cotton	550	200	<b>350</b>
	Dabwali	B.T. Cotton	250	200	<b>50</b>
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	1500	1500	<b>Unch</b>
	Rawatsar	B.T. Cotton	200	250	<b>-50</b>
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	1250	-
	Khargaon	Mech-1	NA	5900	-
<b>Maharashtra</b>	Amravati	Mech-1	1500	2000	<b>-500</b>
	Jamner	Medium Staple	34	36	<b>-2</b>
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	50	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	8022	5800	<b>2222</b>
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	28	58	<b>-30</b>
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	1177	877	300
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Feb-16	9-Feb-16	
Punjab	Bhatinda	J-34	4250	4250	Unch
	Abohar	J-34	850	680	170
	Mansa	J-34	595	425	170
Haryana	Sirsa	J-34	680	850	-170
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				9-Feb-16	8-Feb-16	
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	32000	32300	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32300	32500	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	33300	33400	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34500	34500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36600	36600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	49200	49200	Unch

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

Centre	Unit	Price		Change
		10-Feb-16	9-Feb-16	
Rajkot	Rs. /10 Kg.	570	575	-5
New Delhi	Rs. /10 Kg.	540	540	Unch
Hyderabad	Rs. /10 Kg.	570	575	-5
Mumbai	Rs. /10 Kg.	595	595	Unch

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

Centre	Unit	Price		Change
		10-Feb-16	9-Feb-16	
Mahesana (Kadi)	Rs./Qtl	2033	2046	-13
Akola	Rs./Qtl	2045	2050	-5

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 6-Feb-2016**

Index	RMB/Ton	Change
CCIndex(328)	12308	-3
CCIndex(527)	11512	-7
CCIndex(229)	12905	-8

**China Foreign Cotton (FCE) Index : As on 8-Feb-2016**

Index	Cents/lb	Change
FC Index (S)	73.01	-0.89
FC Index (M)	69.74	-0.97
FC Index (L)	67.37	-1.16

**Cotlook Index: As on 9-Feb-2016**

Cotlook Indices	Cents/Pound	Change
A-Index	66.75	-0.25

**USDA Cotton Spot Rates: As on 9-Feb-2016**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	60.39	63.64	2742
North Delta	58.89	61.64	Nil
South Delta	58.89	61.64	Nil
East TX-OK	56.50	58.25	1527
West Texas	56.50	57.75	1878
Desert SW	55.64	61.89	Nil
SJ Valley	56.64	66.54	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 9-Feb-2016**

Contract	Open	High	Low	Close	Change
16-Mar	59.57	59.75	58.25	58.64	-0.96
16-May	60.16	60.40	58.91	59.24	-1.12
16-Jul	61.00	61.07	59.59	59.88	-1.12
16-Oct	59.83	59.83	59.83	59.83	-1.05
16-Dec	61.18	61.18	59.74	60.11	-1.07
17-Mar	61.44	61.60	60.69	60.96	-1.07

Pakistan Cotton Spot rates: As on 9-Feb-2016				(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

### Disclaimer

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