

Domestic Fundamentals:

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

In The News: India is likely to export 1.24 million tons (around 73 lakh bales of 170 kg each) of cotton in season 2015-16, around 9% higher than the estimates of previous month which was 1.26 million tons and around 36% higher as compared to 0.91 (around 53.76 lakh bales) million tons, the volume it exported in the previous season, according to USDA.

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.

International Fundamentals:

According to USDA latest report, World cotton production would be around 22.07 million tons in 2015-16, around 0.2% lower as compared to the estimates of previous month i.e. 22.11 million tons and around 15% lower than the production of previous year i.e. 25.94 million tons.

World cotton exports figures further slashed down by USDA. It expects that global cotton exports would be around 7.64 million tons, around 2.6% lower as compared to the estimates of previous month and around 0.8% lower as compared to the exports during previous season.

Global cotton consumption is likely to be around 23.86 million tons in season 2015-16, which was estimated to be around 24.15 million tons a month earlier. In the earlier estimates by USDA, consumption was expected to rise but considering the current figures, cotton consumption would be standing around 0.6% lower as compared to 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	-3.5	774	777	768.5	769.5	6185	-105	16966	-405
Spread	Feb-16		Apr-16						
Spot	--		172.5						
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 11 February 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	-20	16100	16160	16020	16030	1107	200	5464	-265
Mar-16	0	16180	16270	16120	16130	1266	433	5396	48
Apr-16	20	16260	16330	16200	16220	240	85	1667	11
May-16	20	16330	16330	16330	16330	3	0	65	0
Spread	Feb-16	Mar-16	Apr-16	May-16					
Spot	--								
Feb-16		-100							
Mar-16			-90						
Apr-16				-110					

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

* Updated at 4:45 pm on 11 February 2016

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	11-Feb-16	10-Feb-16	
Gujarat	Ahmedabad	Shankar-6	4675	4650	25
	Gondal	Shankar-6	4630	4715	-85
	Rajkot	B.T. Cotton	4710	4790	-80
	Patan	B.T. Cotton	4655	4675	-20
	Kadi	B.T. Cotton	4250	4700	-450
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4740	4680	60
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4770	4800	-30
	Bhiwani	Desi	4500	4500	Unch
	Adampur	B.T. Cotton	4575	4580	-5
	Fatehabad	B.T. Cotton	4570	4580	-10
	Jind	B.T. Cotton	4725	4700	25
	Uchana	B.T. Cotton	4630	4655	-25
	Dabwali	B.T. Cotton	4500	4500	Unch
Rajasthan	Hanumangarh	B.T. Cotton	4575	4650	-75
	Rawatsar	B.T. Cotton	4480	4470	10
Madhya Pradesh	Khandwa	Mech-1	NA	4581	-
	Khargaon	Mech-1	NA	4665	-
Maharashtra	Amravati	Mech-1	4500	4500	Unch
	Jamner	Medium Staple	NA	4500	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4275	4275	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	4100	-
	East Godavari	Un-Ginned	4100	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	4710	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4611	4700	-89
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	11-Feb-16	10-Feb-16	
Punjab	Bhatinda	J-34	3475	3480	-5
	Abohar	J-34	3470	3490	-20

	Mansa	J-34	3450	3475	-25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3460	3460	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-Feb-16	10-Feb-16	
Gujarat	Ahmedabad	Shankar-6	51000	59500	-8500
	Gondal	Shankar-6	1849	3400	-1551
	Rajkot	B.T. Cotton	3000	4600	-1600
	Patan	B.T. Cotton	2881	4265	-1384
	Kadi	B.T. Cotton	35000	65000	-30000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	589	926	-337
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1000	1500	-500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	425	340	85
	Fatehabad	B.T. Cotton	600	600	Unch
	Jind	B.T. Cotton	170	93.5	76.5
	Uchana	B.T. Cotton	525	550	-25
	Dabwali	B.T. Cotton	210	250	-40
Rajasthan	Hanumangarh	B.T. Cotton	1000	1500	-500
	Rawatsar	B.T. Cotton	200	200	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	1250	-
	Khargaon	Mech-1	NA	4470	-
Maharashtra	Amravati	Mech-1	1500	1500	Unch
	Jamner	Medium Staple	NA	34	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5716	8022	-2306
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	28	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	1237	1177	60
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	11-Feb-16	10-Feb-16	
Punjab	Bhatinda	J-34	4250	4250	Unch
	Abohar	J-34	680	850	-170
	Mansa	J-34	425	595	-170
Haryana	Sirsa	J-34	850	680	170
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				10-Feb-16	9-Feb-16	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29200	29500	-300
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	29700	30000	-300
J-34(202)	26mm	3.5 - 4.9	23	31900	32000	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32300	32300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33100	33300	-200
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
		11-Feb-16	10-Feb-16	
Rajkot	Rs. /10 Kg.	565	570	-5
New Delhi	Rs. /10 Kg.	540	540	Unch
Hyderabad	Rs. /10 Kg.	570	570	Unch
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
		11-Feb-16	10-Feb-16	
Mahesana (Kadi)	Rs./Qtl	2036	2033	3
Akola	Rs./Qtl	2037	2045	-8

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 10-Feb-2016

Cotlook Indices	Cents/Pound	Change
A-Index	65.85	-0.90

USDA Cotton Spot Rates: As on 10-Feb-2016

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	60.63	63.88	1461
North Delta	59.13	61.88	Nil
South Delta	59.13	61.88	Nil
East TX-OK	56.75	58.50	2929
West Texas	56.75	58.00	2426
Desert SW	55.88	62.13	Nil
SJ Valley	56.88	66.78	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 10-Feb-2016

Contract	Open	High	Low	Close	Change
16-Mar	58.62	58.94	58.35	58.88	0.24
16-May	59.45	59.46	58.88	59.23	-0.01
16-Jul	60.96	60.96	59.49	59.81	-0.07
16-Oct	59.75	59.75	59.75	59.75	-0.08
16-Dec	60.21	60.21	59.65	60.12	0.01
17-Mar	60.80	61.05	60.61	61.03	0.07

Pakistan Cotton Spot rates: As on 10-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

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