

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed steady to firm tone on Friday.

In The News: Total cotton arrival till January 27 this season remained 144.07 lakh bales (of 170 Kg each), around 30% lower as compared to 206.76 lakh bales previous season during the same period, according to Cotton Corporation of India.

According to the industry sources, Cotton Corporation of India (CCI) has auctioned most of its stocks it procured under MSP operation in 2015-14 and currently it is holding 25000 bales (of 170 Kg each) of cotton.

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.

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	5	768	776	767	773	5374	-811	17450	484

Spread	Feb-16	Apr-16
Spot	--	182
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 12 February 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	120	16000	16160	15980	16130	962	-145	5056	-408
Mar-16	120	16100	16260	16070	16230	1122	-144	5763	367
Apr-16	110	16190	16340	16190	16310	264	24	1714	47
May-16	--	--	--	--	--	--	--	--	--

Spread	Feb-16	Mar-16	Apr-16	May-16	--	--
Spot	--					
Feb-16		-100				
Mar-16			-80			
Apr-16				--		

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

* Updated at 4:45 pm on 12 February 2016

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Feb-16	11-Feb-16	
Gujarat	Ahmedabad	Shankar-6	4675	4675	Unch
	Gondal	Shankar-6	4630	4630	Unch
	Rajkot	B.T. Cotton	4775	4710	65
	Patan	B.T. Cotton	Closed	4655	-
	Kadi	B.T. Cotton	4650	4250	400
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4665	4740	-75
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4800	4770	30
	Bhiwani	Desi	4500	4500	Unch
	Adampur	B.T. Cotton	4575	4575	Unch
	Fatehabad	B.T. Cotton	4580	4570	10
	Jind	B.T. Cotton	4700	4725	-25
	Uchana	B.T. Cotton	4680	4630	50
	Dabwali	B.T. Cotton	4550	4500	50
Rajasthan	Hanumangarh	B.T. Cotton	4600	4575	25
	Rawatsar	B.T. Cotton	4480	4480	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	4675	-
Maharashtra	Amravati	Mech-1	4600	4500	100
	Jamner	Medium Staple	4500	4500	Unch
Uttar Pradesh	Hathras	B.T. Cotton	NA	3600	-
	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	NA	-
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4620	4611	9
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	12-Feb-16	11-Feb-16	
Punjab	Bhatinda	J-34	3480	3475	5
	Abohar	J-34	3475	3470	5

	Mansa	J-34	3450	3450	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3465	3460	5
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Feb-16	11-Feb-16	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	3660	1849	1811
	Rajkot	B.T. Cotton	2800	3000	-200
	Patan	B.T. Cotton	Closed	2881	-
	Kadi	B.T. Cotton	40000	35000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	845	589	256
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1500	1000	500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	510	425	85
	Fatehabad	B.T. Cotton	550	600	-50
	Jind	B.T. Cotton	34	170	-136
	Uchana	B.T. Cotton	265	525	-260
	Dabwali	B.T. Cotton	280	210	70
Rajasthan	Hanumangarh	B.T. Cotton	1100	1000	100
	Rawatsar	B.T. Cotton	100	200	-100
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	1650	-
Maharashtra	Amravati	Mech-1	1800	1500	300
	Jamner	Medium Staple	25	30	-5
Uttar Pradesh	Hathras	B.T. Cotton	NA	150	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5717	5716	1
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	NA	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	960	1237	-277
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	12-Feb-16	11-Feb-16	
Punjab	Bhatinda	J-34	3740	4250	-510
	Abohar	J-34	850	680	170
	Mansa	J-34	425	425	Unch
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength / GPT	Rs. Per Candy		Change
				11-Feb-16	10-Feb-16	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29200	29200	Unch
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	29700	29700	Unch
J-34(202)	26mm	3.5 - 4.9	23	31900	31900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32300	32300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33100	33100	Unch
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
		12-Feb-16	11-Feb-16	
Rajkot	Rs. /10 Kg.	575	565	10
New Delhi	Rs. /10 Kg.	540	540	Unch
Hyderabad	Rs. /10 Kg.	580	570	10
Mumbai	Rs. /10 Kg.	598	595	3

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

Centre	Unit	Price		Change
		12-Feb-16	11-Feb-16	
Mahesana (Kadi)	Rs./Qtl	2039	2036	3
Akola	Rs./Qtl	2038	2037	1

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 11-Feb-2016

Cotlook Indices	Cents/Pound	Change
A-Index	66.00	0.15

USDA Cotton Spot Rates: As on 11-Feb-2016

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	60.17	63.42	1123
North Delta	58.67	61.42	Nil
South Delta	58.67	61.42	Nil
East TX-OK	56.75	58.50	8414
West Texas	56.75	58.00	3134
Desert SW	55.42	61.67	Nil
SJ Valley	56.42	66.32	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 11-Feb-2016

Contract	Open	High	Low	Close	Change
16-Mar	58.88	59.03	57.85	58.42	-0.46
16-May	59.19	59.35	58.29	58.71	-0.52
16-Jul	59.83	59.94	58.98	59.31	-0.50
16-Oct	59.15	59.15	59.15	59.15	-0.60
16-Dec	60.12	60.21	59.15	59.58	-0.54
17-Mar	61.15	61.15	60.20	60.52	-0.51

Pakistan Cotton Spot rates: As on 11-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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