

### Domestic Fundamentals:

**Market Outlook:** Cotton spot prices noticed firm tone on Monday.

**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, USA cotton exports would stand around 2.07 million tons, around 5% lower compared to the estimates of previous month i.e. 2.18 million tons and around 15.5% lower than the exports of previous year i.e. 2.45 million tons. Following the lower exports expectation, the cotton prices in the region are moving weaker.

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.

### 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	7.5	774	785	774	781.5	6370	996	18534	1084
Spread	Feb-16		Apr-16						
Spot	--		170.5						
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 15 February 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	130	16170	16300	16130	16240	991	29	4773	-283
Mar-16	140	16280	16410	16240	16350	1871	749	6355	592
Apr-16	140	16390	16490	16360	16450	222	-42	1749	35
May-16	190	16550	16550	16510	16510	6	3	66	1
Spread	Feb-16	Mar-16	Apr-16	May-16					
Spot	--								
Feb-16		-110							
Mar-16			-100						
Apr-16				-60					

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

\* Updated at 4:45 pm on 15 February 2016

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	15-Feb-16	13-Feb-16	
Gujarat	Ahmedabad	Shankar-6	4750	4675	75
	Gondal	Shankar-6	4720	4675	45
	Rajkot	B.T. Cotton	4760	4740	20
	Patan	B.T. Cotton	4765	4715	50
	Kadi	B.T. Cotton	4800	4750	50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4735	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4900	4800	100
	Bhiwani	Desi	4600	4500	100
	Adampur	B.T. Cotton	4675	4560	115
	Fatehabad	B.T. Cotton	4640	4600	40
	Jind	B.T. Cotton	4750	4700	50
	Uchana	B.T. Cotton	4700	4680	20
	Dabwali	B.T. Cotton	4540	4500	40
Rajasthan	Hanumangarh	B.T. Cotton	4700	4600	100
	Rawatsar	B.T. Cotton	4510	4490	20
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4700	4650	50
	Jamner	Medium Staple	NR	4300	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4290	4280	10
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	NA	-
	East Godavari	Un-Ginned	4100	4100	Unch
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	4690	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4700	4621	79
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	15-Feb-16	13-Feb-16	
Punjab	Bhatinda	J-34	3500	3485	15
	Abohar	J-34	3500	3485	15

	Mansa	J-34	3500	3460	40
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3500	3475	25
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Feb-16	13-Feb-16	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	3834	2412	1422
	Rajkot	B.T. Cotton	2700	3200	-500
	Patan	B.T. Cotton	3197	3768	-571
	Kadi	B.T. Cotton	55000	20000	35000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	774	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1500	1500	Unch
	Bhiwani	Desi	100	NA	-
	Adampur	B.T. Cotton	595	595	Unch
	Fatehabad	B.T. Cotton	500	150	350
	Jind	B.T. Cotton	51	17	34
	Uchana	B.T. Cotton	100	380	-280
	Dabwali	B.T. Cotton	110	125	-15
Rajasthan	Hanumangarh	B.T. Cotton	1000	1000	Unch
	Rawatsar	B.T. Cotton	100	100	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	1500	1200	300
	Jamner	Medium Staple	NR	50	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4017	5827	-1810
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	22	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	975	742	233
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	15-Feb-16	13-Feb-16	
Punjab	Bhatinda	J-34	4250	3400	850
	Abohar	J-34	850	850	Unch
	Mansa	J-34	340	340	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
				13-Feb-16	12-Feb-16	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29300	29200	100
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	29800	29700	100
J-34(202)	26mm	3.5 - 4.9	23	32100	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	33200	33200	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
		15-Feb-16	13-Feb-16	
Rajkot	Rs. /10 Kg.	572	572	Unch
New Delhi	Rs. /10 Kg.	540	540	Unch
Hyderabad	Rs. /10 Kg.	575	575	Unch
Mumbai	Rs. /10 Kg.	600	600	Unch

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

Centre	Unit	Price		Change
		15-Feb-16	13-Feb-16	
Mahesana (Kadi)	Rs./Qtl	2053	2042	11
Akola	Rs./Qtl	2046	2037	9

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 15-Feb-2016**

Index	RMB/Ton	Change
CCIndex(328)	12296	-5
CCIndex(527)	11505	-1
CCIndex(229)	12899	Unch

**China Foreign Cotton (FCE) Index : As on 15-Feb-2016**

Index	Cents/lb	Change
FC Index (S)	70.19	-1.60
FC Index (M)	67.53	-0.90
FC Index (L)	65.15	-1.03

**Cotlook Index: As on 12-Feb-2016**

Cotlook Indices	Cents/Pound	Change
A-Index	65.70	-0.30

**USDA Cotton Spot Rates: As on 12-Feb-2016**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	60.65	63.90	Nil
North Delta	59.15	61.90	Nil
South Delta	59.15	61.90	Nil
East TX-OK	56.75	58.50	2785
West Texas	56.75	58.00	5458
Desert SW	55.90	62.15	Nil
SJ Valley	56.90	66.80	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 12-Feb-2016**

Contract	Open	High	Low	Close	Change
16-Mar	58.35	59.16	58.15	58.90	0.48
16-May	58.66	58.96	58.39	58.64	-0.07
16-Jul	59.31	59.47	58.87	59.07	-0.24
16-Oct	58.82	58.82	58.82	58.82	-0.33
16-Dec	59.56	59.63	58.76	58.93	-0.65
17-Mar	60.21	60.21	59.70	59.82	-0.70

Pakistan Cotton Spot rates: As on 13-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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