

#### **Domestic Fundamentals:**

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

**In The News**: The Foreign Agriculture Services (FAS), division of USDA has lowered the production forecast for India in its latest report to 356 lakh bales. The reason for the downfall in the revision is lower yield expectation in Punjab and Haryana due to the attack of white fly and impact of pink bollworm in Gujarat.

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.

#### **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.

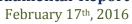
World cotton exports figures further slashed down by USDA. It expects that global cotton exports would be around 7.64 million tons, around 2.6% lower as compared to the estimates of previous month and around 0.8% lower as compared to the exports during previous season.

#### **Outlook**

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16									
Apr-16	-1	794	800	785	792	10655	4285	18551	17
Spread		Feb-1	.6		Apr-16				
Spot					168				
Feb-16									

MCX Cotton Futures*: (Prices in Rs/170 kgs)										
Contract	+/-	Open	High	Low	Clo	se	Volume	Change	OI	Change
Feb-16	70	16330	16370	16290	163	50	934	-57	4383	-390
Mar-16	90	16400	16500	16400	164	80	1599	-272	6745	390
Apr-16	60	16530	16620	16530	165	70	147	-75	1796	47
May-16	120	16680	16690	16640	166	80	7	1	66	0
Spread	Feb-1	l <b>6</b>	Mar-16	Apr-	16	N	/lay-16			
Spot										
Feb-16			-130							
Mar-16				-90	)					
Apr-16							-110			
(NB: Spread Basis = Spot- Near Month Future)  * Updated at 4:45 pm on 16 February 2016										

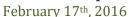




# **DOMESTIC PRICES AND ARRIVALS**

# **Cotton Prices at Key Spot Markets:**

Commodity		Kapas	Prices (R	s./Quintal)	Change
State	Centre	Variety	16-Feb-16	15-Feb-16	Change
	Ahmedabad	Shankar-6	4750	4750	Unch
	Gondal	Shankar-6	4770	4720	50
	Rajkot	B.T. Cotton	4800	4760	40
Gujarat	Patan	B.T. Cotton	4805	4765	40
	Kadi	B.T. Cotton	4800	4800	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4695	4735	-40
Described.	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	4900	4900	Unch
	Bhiwani	Desi	4750	4600	150
	Adampur	B.T. Cotton	4700	4675	25
Haryana	Fatehabad	B.T. Cotton	4680	4640	40
	Jind	B.T. Cotton	4760	4750	10
	Uchana	B.T. Cotton	4650	4700	-50
	Dabwali	B.T. Cotton	4535	4540	-5
Daisethau	Hanumangarh	B.T. Cotton	4700	4700	Unch
Rajasthan	Rawatsar	B.T. Cotton	4520	4510	10
	Khandwa	Mech-1	NA	NA	-
Madhya Pradesh	Khargaon	Mech-1	NA	NA	-
Mahanahan	Amravati	Mech-1	4720	4700	20
Maharashtra	Jamner	Medium Staple	NA	NA	-
Hitten Books deels	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4300	4290	10
	Guntur	Un-Ginned	NA	NA	-
Andhus Duadach	Kurnool	Un-Ginned	NA	NA	-
Andhra Pradesh	Krishna	Un-Ginned	NA	4100	-
	East Godavari	Un-Ginned	NA	4100	-
	Bijapur	Bunny	NA	NA	-
Vous stales	Hubli	D.C.H.	NA	4793	-
Karnataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4701	4700	1
Commodity		Lint	Prices (R	s./Maund)	Cheman
State	Centre	Variety	16-Feb-16	15-Feb-16	Change
Punish	Bhatinda	J-34	3530	3500	30
Punjab	Abohar	J-34	3540	3500	40





	Mansa	J-34	NA	3500	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3520	3500	20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

#### **Cotton Arrivals in Key Centers:**

Commodity **Kapas Arrivals (Quintal)** Change 16-Feb-16 15-Feb-16 **State** Centre **Variety** Ahmedabad Shankar-6 51000 51000 Unch -2058 Gondal Shankar-6 1776 3834 Rajkot B.T. Cotton 2000 2700 -700 Gujarat B.T. Cotton 2354 3197 -843 Patan Kadi B.T. Cotton 65000 55000 10000 NA Deesa B.T. Cotton NA 774 -25 Dhrol B.T. Cotton 749 Fazilika B.T. Cotton NR NR **Punjab** Muktsar NR NR B.T. Cotton Bhiwani B.T. Cotton 1500 1500 Unch Bhiwani Desi 100 100 Unch Adampur B.T. Cotton 595 595 Unch Fatehabad B.T. Cotton 500 -100 Haryana 400 Jind B.T. Cotton 51 51 Unch Uchana B.T. Cotton 589 100 489 Dabwali B.T. Cotton 90 110 -20 -200 Hanumangarh B.T. Cotton 800 1000 Rajasthan B.T. Cotton 100 100 Rawatsar 200 Khandwa Mech-1 NA NA Madhya Pradesh Mech-1 NA NA Khargaon 1800 1500 300 Amravati Mech-1 Maharashtra Jamner Medium Staple NA NA Hathras B.T. Cotton NA NA **Uttar Pradesh** NA Hathras Desi NA Telangana Adilabad **Un-Ginned** 4849 4017 832 Guntur **Un-Ginned** NA NA Kurnool **Un-Ginned** NA NA **Andhra Pradesh** Krishna **Un-Ginned** NA NA East Godavari **Un-Ginned** NA NA NA NA Bijapur Bunny Karnataka Hubli D.C.H. NA 52 NA Hubli B.T. Cotton NA



	Raichur	H-44 Cotton	510	975	-465
Commodity	Lint		Arrivals	Change	
State	Centre	Variety	16-Feb-16	15-Feb-16	Change
	Bhatinda	J-34	3740	4250	-510
Punjab	Abohar	J-34	935	850	85
	Mansa	J-34	NA	340	-
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		Changa	
Trade Name				15-Feb-16	13-Feb-16	Change	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29500	29300	200	
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30000	29800	200	
J-34(202)	26mm	3.5 - 4.9	23	32300	32100	200	
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	32400	32300	100	
Shankar-6(105)	29mm	3.5 – 4.9	28	33500	33200	300	
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34700	34500	200	
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	Pr	Change	
Centre	Offic	16-Feb-16	15-Feb-16	Change
Rajkot	Rs. /10 Kg.	575	572	3
New Delhi	Rs. /10 Kg.	540	540	Unch
Hyderabad	Rs. /10 Kg.	570	575	-5
Mumbai	Rs. /10 Kg.	600	600	Unch

# **Cotton Seed Oil Seed Cake Prices**

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

Contro	Unit	Pri	ice	Chango
Centre	Unit	16-Feb-16	15-Feb-16	Change
Mahesana (Kadi)	Rs./Qtl	2056	2053	3
Akola	Rs./Qtl	2055	2046	9



#### **INTERNATIONAL PRICES AND INDICES**

China Cotton Index: As on 16-Feb-2016		
Index	RMB/Ton	Change
CCIndex(328)	12280	-16
CCIndex(527)	11498	-7
CCIndex(229)	12888	-11
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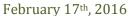
Index	Cents/lb	Change
FC Index (S)	70.19	Unch
FC Index (M)	67.53	Unch
FC Index (L)	65.15	Unch

Cotlook Index: As on 15-Feb-2016		
Cotlook Indices	Cents/Pound	Change
A-Index	65.80	0.10

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	Nill
North Delta	59.15	61.90	Nill
South Delta	59.15	61.90	Nill
East TX-OK	56.75	58.50	2785
West Texas	56.75	58.00	5458
Desert SW	55.90	62.15	Nill
SJ Valley	56.90	66.80	Nill

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

CE Cotton Futures (Prices in cents/lb.): As on 15-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 S	(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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