

Domestic Fundamentals:

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

In The News: India exported 1.794 lakh bales of cotton last week (08 Feb-14 Feb 2016), which was 2.29 lakh bales previous to last week (01 Feb-07 Feb 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.129 lakh bales last week, which was 0.104 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 0.76 lakh bales of cotton from India in the past week (08 Feb-14 Feb 2016). Other major importers were Pakistan, Vietnam, Indonesia and China and their imported volumes were 0.50 lakh bales, 0.21 lakh bales, 0.17 lakh bales and 0.09 lakh bales respectively. India imported cotton from USA, Argentina, Australia followed by Mali and Egypt. The respective volumes these countries exported to India during the week are 0.045 lakh bales, 0.028 lakh bales, 0.024 lakh bales, 0.015 lakh bales, 0.014 Lakh Bales.

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.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	--	--	--	--	--	--	--	--	--
Apr-16	1.5	800.5	807	798	802.5	10149	3779	19711	1177
Spread		Feb-16			Apr-16				
Spot		--			163.5				
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 17 February 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	0	16440	16480	16370	16440	573	-418	3743	-1030
Mar-16	10	16560	16640	16520	16590	1765	-106	7437	1082
Apr-16	10	16650	16750	16640	16710	253	31	1894	145
May-16	90	16700	16800	16700	16800	3	-3	65	-1
Spread		Feb-16	Mar-16	Apr-16	May-16		--		--
Spot		--							
Feb-16			-150						
Mar-16				-120					
Apr-16					-90				

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

* Updated at 4:45 pm on 17 February 2016

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Feb-16	17-Feb-16	
Gujarat	Ahmedabad	Shankar-6	4800	4750	50
	Gondal	Shankar-6	4835	4820	15
	Rajkot	B.T. Cotton	4830	4780	50
	Patan	B.T. Cotton	Closed	4800	-
	Kadi	B.T. Cotton	4500	4750	-250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5005	4680	325
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4900	4870	30
	Bhiwani	Desi	4700	4670	30
	Adampur	B.T. Cotton	4745	4700	45
	Fatehabad	B.T. Cotton	4715	4700	15
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	4800	4790	10
	Dabwali	B.T. Cotton	4590	4570	20
Rajasthan	Hanumangarh	B.T. Cotton	4650	4650	Unch
	Rawatsar	B.T. Cotton	4640	4540	100
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4700	4725	-25
	Jamner	Medium Staple	NA	4400	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	3750	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
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	4375	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4770	4720	50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	18-Feb-16	17-Feb-16	
Punjab	Bhatinda	J-34	3560	3545	15
	Abohar	J-34	3580	3540	40

	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3540	3530	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Feb-16	17-Feb-16	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	2388	2307	81
	Rajkot	B.T. Cotton	3000	2600	400
	Patan	B.T. Cotton	Closed	2860	-
	Kadi	B.T. Cotton	65000	55000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	636	926	-290
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1500	1500	Unch
	Bhiwani	Desi	100	100	Unch
	Adampur	B.T. Cotton	595	595	Unch
	Fatehabad	B.T. Cotton	500	300	200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	500	485	15
	Dabwali	B.T. Cotton	70	150	-80
Rajasthan	Hanumangarh	B.T. Cotton	1000	1200	-200
	Rawatsar	B.T. Cotton	200	250	-50
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	1300	1500	-200
	Jamner	Medium Staple	NA	55	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	150	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
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	10	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	510	472	38
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Feb-16	17-Feb-16	
Punjab	Bhatinda	J-34	3400	3910	-510
	Abohar	J-34	850	1020	-170
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	680	680	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength / GPT	Rs. Per Candy		Change
				17-Feb-16	16-Feb-16	
Bengal Deshi (RG)/Assam Comilla (101)	< 22mm	5.0 - 7.0	15	29800	29500	300
Bengal Deshi (SG)(201)	< 22mm	5.0 - 7.0	15	30300	30000	300
J-34(202)	26mm	3.5 - 4.9	23	32600	32300	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32400	32400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33500	33500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34700	34700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36600	36600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49200	300

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

Centre	Unit	Price		Change
		18-Feb-16	17-Feb-16	
Rajkot	Rs. /10 Kg.	578	575	3
New Delhi	Rs. /10 Kg.	540	540	Unch
Hyderabad	Rs. /10 Kg.	570	570	Unch
Mumbai	Rs. /10 Kg.	605	600	5

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

Centre	Unit	Price		Change
		18-Feb-16	17-Feb-16	
Mahesana (Kadi)	Rs./Qtl	2088	2056	32
Akola	Rs./Qtl	2100	2055	45

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 18-Feb-2016

Index	RMB/Ton	Change
CCIndex(328)	12237	-33
CCIndex(527)	11420	-49
CCIndex(229)	12833	-43

China Foreign Cotton (FCE) Index : As on 18-Feb-2016

Index	Cents/lb	Change
FC Index (S)	70.88	-0.22
FC Index (M)	68.08	-0.26
FC Index (L)	65.68	-0.25

Cotlook Index: As on 17-Feb-2016

Cotlook Indices	Cents/Pound	Change
A-Index	66.80	1.00

USDA Cotton Spot Rates: As on 17-Feb-2016

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	60.55	63.80	38
North Delta	59.55	62.30	Nil
South Delta	59.55	62.30	Nil
East TX-OK	57.25	59.00	4691
West Texas	57.25	58.50	13460
Desert SW	56.55	62.80	Nil
SJ Valley	57.55	67.45	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 17-Feb-2016

Contract	Open	High	Low	Close	Change
16-Mar	59.73	60.30	59.55	59.87	0.02
16-May	59.60	59.99	59.35	59.55	-0.19
16-Jul	60.10	60.17	59.58	59.80	-0.19
16-Oct	59.38	59.38	59.38	59.38	-0.12
16-Dec	59.71	59.92	59.45	59.70	-0.07
17-Mar	60.56	60.75	60.36	60.43	-0.27

Pakistan Cotton Spot rates: As on 17-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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