

Domestic Fundamentals:

Market Outlook: Cotton spot prices noticed mostly mixed tone on Friday.

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	-15.5	755.5	755.5	755.5	755.5	10	-13	56	4
Apr-16	-20	802	802	779	782	14666	4517	19529	-182
Spread		Feb-16		Apr-16					
Spot		202.5							
Feb-16		--		-26.5					

(NB: Spread was done by taking avg. spot prices at Rajkot – B.T. Cotton market. Basis = Spot- Near Month Future)

*Updated at 5:10 pm on 19 February 2016

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	-90	16420	16440	16340	16530	620	47	3737	-6
Mar-16	-110	16540	16590	16460	16470	1207	-558	7489	52
Apr-16	-90	16670	16700	16590	16610	352	99	1980	86
May-16	-80	16740	16740	16700	16700	2	-1	65	0
Spread		Feb-16	Mar-16	Apr-16	May-16		--		--
Spot		--							
Feb-16			60						
Mar-16				-140					
Apr-16					-90				

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

* Updated at 5:20 pm on 19 February 2016

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	19-Feb-16	18-Feb-16	
Gujarat	Ahmedabad	Shankar-6	4800	4800	Unch
	Gondal	Shankar-6	4805	4835	-30
	Rajkot	B.T. Cotton	4790	4830	-40
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	4625	4500	125
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4810	5005	-195
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4900	4900	Unch
	Bhiwani	Desi	4750	4700	50
	Adampur	B.T. Cotton	4750	4745	5
	Fatehabad	B.T. Cotton	4705	4715	-10
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	4820	4800	20
	Dabwali	B.T. Cotton	4590	4590	Unch
Rajasthan	Hanumangarh	B.T. Cotton	4600	4650	-50
	Rawatsar	B.T. Cotton	4640	4640	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	4795	-
Maharashtra	Amravati	Mech-1	4775	4700	75
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4330	4310	20
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4100	4100	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	4500	4670	-170
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4700	4770	-70
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	19-Feb-16	18-Feb-16	
Punjab	Bhatinda	J-34	3565	3560	5
	Abohar	J-34	3560	3580	-20

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

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	19-Feb-16	18-Feb-16	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	2715	2388	327
	Rajkot	B.T. Cotton	2600	3000	-400
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	50000	65000	-15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	501	636	-135
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1000	1500	-500
	Bhiwani	Desi	100	100	Unch
	Adampur	B.T. Cotton	680	595	85
	Fatehabad	B.T. Cotton	200	500	-300
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	350	500	-150
	Dabwali	B.T. Cotton	50	70	-20
Rajasthan	Hanumangarh	B.T. Cotton	500	1000	-500
	Rawatsar	B.T. Cotton	100	200	-100
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	1190	-
Maharashtra	Amravati	Mech-1	1600	1300	300
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	2888	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.	14	78	-64
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	682	510	172
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Feb-16	18-Feb-16	
Punjab	Bhatinda	J-34	2550	3400	-850
	Abohar	J-34	340	850	-510
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	510	680	-170
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				18-Feb-16	17-Feb-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	29800	29800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	30300	30300	Unch
J-34(202)	26mm	3.5 - 4.9	23	32600	32600	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32500	32400	100
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33500	100
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	49500	Unch

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

Centre	Unit	Price		Change
		19-Feb-16	18-Feb-16	
Rajkot	Rs. /10 Kg.	585	578	7
New Delhi	Rs. /10 Kg.	540	540	Unch
Hyderabad	Rs. /10 Kg.	570	570	Unch
Mumbai	Rs. /10 Kg.	605	605	Unch

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

Centre	Unit	Price		Change
		19-Feb-16	18-Feb-16	
Mahesana (Kadi)	Rs./Qtl	2095	2088	7
Akola	Rs./Qtl	2100	2100	Unch

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 19-Feb-2016

Index	RMB/Ton	Change
CCIndex(328)	12219	-18
CCIndex(527)	11411	-9
CCIndex(229)	12817	-16

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 18-Feb-2016

Cotlook Indices	Cents/Pound	Change
A-Index	66.60	-0.20

USDA Cotton Spot Rates: As on 18-Feb-2016

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	60.70	63.95	999
North Delta	59.70	62.45	Nil
South Delta	59.70	62.45	Nil
East TX-OK	56.75	58.50	8457
West Texas	56.75	58.00	7744
Desert SW	56.70	62.95	Nil
SJ Valley	57.70	67.60	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 18-Feb-2016

Contract	Open	High	Low	Close	Change
16-Mar	59.79	60.84	59.69	59.91	0.04
16-May	59.55	60.40	59.41	59.70	0.15
16-Jul	59.80	60.50	59.67	59.81	0.01
16-Oct	59.27	59.27	59.27	59.27	-0.11
16-Dec	59.69	60.30	59.60	59.72	0.02
17-Mar	60.65	60.91	60.13	60.29	-0.14

Pakistan Cotton Spot rates: As on 18-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

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2016 Indian Agribusiness Systems Pvt. Ltd.