

Domestic Fundamentals:

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

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	20-Feb-16	19-Feb-16	
Gujarat	Ahmedabad	Shankar-6	4750	4800	-50
	Gondal	Shankar-6	4775	4805	-30
	Rajkot	B.T. Cotton	4790	4790	Unch
	Patan	B.T. Cotton	4740	Closed	-
	Kadi	B.T. Cotton	4875	4625	250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	4810	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4900	4900	Unch
	Bhiwani	Desi	4750	4750	Unch
	Adampur	B.T. Cotton	4735	4750	-15
	Fatehabad	B.T. Cotton	4700	4705	-5
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	4820	-
	Dabwali	B.T. Cotton	4600	4590	10
Rajasthan	Hanumangarh	B.T. Cotton	4650	4600	50
	Rawatsar	B.T. Cotton	4600	4640	-40
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4700	4775	-75
	Jamner	Medium Staple	4360	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NA	-
	Hathras	Desi	NR	NA	-
Telangana	Adilabad	Un-Ginned	4350	4330	20
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	4500	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4800	4700	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Feb-16	19-Feb-16	
Punjab	Bhatinda	J-34	3560	3565	-5
	Abohar	J-34	3570	3560	10

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

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Feb-16	19-Feb-16	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	2846	2715	131
	Rajkot	B.T. Cotton	2700	2600	100
	Patan	B.T. Cotton	690	Closed	-
	Kadi	B.T. Cotton	65000	50000	15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	501	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	NA	1000	-
	Bhiwani	Desi	NA	100	-
	Adampur	B.T. Cotton	510	680	-170
	Fatehabad	B.T. Cotton	175	200	-25
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	350	-
	Dabwali	B.T. Cotton	300	50	250
Rajasthan	Hanumangarh	B.T. Cotton	1000	500	500
	Rawatsar	B.T. Cotton	700	100	600
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	1200	1600	-400
	Jamner	Medium Staple	55	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NA	-
	Hathras	Desi	NR	NA	-
Telangana	Adilabad	Un-Ginned	4235	2888	1347
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	14	-
	Hubli	B.T. Cotton	NA	NA	-

	Raichur	H-44 Cotton	202	682	-480
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Feb-16	19-Feb-16	
Punjab	Bhatinda	J-34	2890	2550	340
	Abohar	J-34	680	340	340
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	510	510	Unch
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
				19-Feb-16	18-Feb-16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	30000	29800	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	30500	30300	200
J-34(202)	26mm	3.5 - 4.9	23	32700	32600	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32500	32500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33600	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	49500	Unch

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

Centre	Unit	Price		Change
		20-Feb-16	19-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
		20-Feb-16	19-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 19-Feb-2016		
Cotlook Indices	Cents/Pound	Change
A-Index	66.80	0.20

USDA Cotton Spot Rates: As on 19-Feb-2016			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	60.54	63.79	NIL
North Delta	59.54	62.29	NIL
South Delta	59.54	62.29	NIL
East TX-OK	56.50	58.25	2780
West Texas	56.75	58.00	9235
Desert SW	56.54	62.79	NIL
SJ Valley	57.54	67.44	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 19-Feb-2016

Contract	Open	High	Low	Close	Change
16-Mar	60.10	60.42	59.80	60.01	0.10
16-May	59.57	59.97	59.35	59.54	-0.16
16-Jul	59.81	60.05	59.54	59.68	-0.13
16-Oct	59.07	59.07	59.07	59.07	-0.20
16-Dec	59.73	59.87	59.38	59.56	-0.16
17-Mar	60.48	60.48	60.02	60.11	-0.18

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

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