

Domestic Fundamentals:

Market Outlook:

Mixed trend were featured in the physical market today. Arrivals are registered higher in some of the major states of India like Haryana, Maharashtra, MP as a result prices could not go up as demand was comparatively slow against supply. However buyers may get active further in fear of higher prices because of lower crop size prediction of the world. Moreover, International buyers are expected to import large quantities of cotton from India as a result prices may touch its higher record prices in the long term.

In the News:

As per the recent USDA Report, 15 states of the world have picked total 98% of the 2017 cotton area so far. As on November 18,2018 Farmers have picked total 73% of cotton which is higher than previous year record i.e. 54% in the corresponding period of time supported by good weather condition.

Daily Prices in Rajkot is set down today due to less demand. However, the price trend is bullish in long term supported by improved demand. The current prices are more than 20 per cent higher than last year. The arrivals have been thin at about 41 lakh bales so far as on November 15, which was about 58 lakh bales around same time last year.

Cotton Corporation of India (CCI) has started procurement of cotton at Minimum Support Price (MSP) from farmers in Warangal district and Mehboob Nagar of Telangana. The process is yet to pick up pace with cotton prices already hovering over Minimum Support Price (MSP).The procurement operations have just started and the Corporation has purchased nearly 3,000 bales from Warangal and 50 bales from Mehboob Nagar. Some bales are also procured from Akola in Maharashtra. The cotton prices are ruling above MSP in most cotton producing regions and arrivals are yet to pick up.

Kapas prices are quoting at Rs 5,900 per quintal at Gujarat and AP and are expected to trade higher towards Rs 6200 in the coming days. Dry weather amidst poor crop in major growing belts of Gujarat, Maharashtra and Karnataka are supporting prices in the spot market.

At Guntur, the cotton crop has entered boll formation and boll development stage. Weather was hot and humid. Sucking pests like jassids, Thrips and whiteflies were observed in most of the fields. Awareness was created among the farmers on pink bollworm damage and management strategies through mass media and regular campaigns by scientists, KVK's and Department of Agriculture.

In Karnataka early sown crop is 140 -150 days old, but in majority area the crop is 135 days old. The crop is at boll opening stage in majority areas. First kapas picking is completed in early sown crop. Desi cotton crop is in growing vegetative stage. Dry spell prevailed during this week in all cotton growing districts with lower night temperature and dry weather during day time. Karnataka cotton prices of 29⁺ mm sold between 45,000 to 47,000 Rs./Candy during last week.

This season, the markets of Punjab saw the arrival of a relatively higher quantity of raw cotton compared with the previous season, despite lower acreage. A total of 2,45,500 bales (one bale=170kg) arrived in the mandis till November 8 whereas in 2017, 2,35,000 bales had arrived during the corresponding period.

As prevailing weather conditions and water scarcity hit cotton yields in key growing regions, trade body Cotton Association of India (CAI) has further trimmed its crop estimate to 343.25 lakh bales (each of 170 kg) for the season 2018-19 beginning from October 1. Earlier CAI, at the Cotton India 2018 meet in Aurangabad last month, had projected the crop size at 348 lakh bales for the year 2018-19, 365 lakh bales lower than 2017-18.CAI cited water shortage and climatic adversities as factors affecting the crop in the key growing regions of Gujarat, Maharashtra and Karnataka. The CAI has revised downwards the crop estimate for Gujarat by 2 lakh bales, Maharashtra by 1 lakh bales, Karnataka by 1

lakh bales and Orissa by 75 thousand bales than compared to its previous estimate due to unfavourable weather conditions.

Cotton prices traded slightly weak in major producing centers such as Punjab Madhya Pradesh and few parts of Haryana owing to rising supplies. Sources revealed that the progressive all India new cotton crop arrivals reached 2.70 million bales till 31 October 2018. Higher arrivals are witnessed from Northern Indian states due to favorable weather. Dry weather in the Maharashtra and Gujarat states during September-October month could impact on yield prospects.

Gujarat Cotton prices of 29 mm sold between 46,000 to 47,200 Rs./Candy during a week. Outstate arrivals of new Crop Kapas from Madhya Pradesh and Maharashtra have started in good quantities now. All Indian arrivals are picking up very fast and market adjusted to new season rates between 46,000 -47,000. Highest arrival is in north India so north cotton rate are more competitive.

The Chinese are substituting their cotton imports from US with India. India's cotton exports to China may see a fivefold jump to 4 million bales in the marketing year 2018-19 starting Oct 1 against 0.8 million tonnes in 2017-18, after China slapped a 25% additional duty on imports of the fibre from the US. India's forward export contracts of cotton have more than doubled from about 7 lakh bales in Sep 2017.

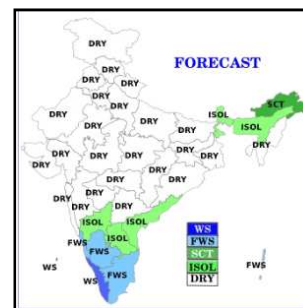
As per reports from many Cotton Experts, the Indian Cotton Crop is very low. Due to poor rains, the cotton plant height across India in major parts is maximum 1-1/2 ft to 2 ft only. Usually in a normal crop, it should be about 4+ ft. There will hardly 2 pickings of good cotton. This will end by December itself... From January, the 3rd and 4th picking will start and it will be 27mm only.

Cotton prices traded steady across major trading centers. Gujarat 29mm cotton traded around INR 47'000 per candy equivalent to US Cents 83.50 per lbs FOB Mundra for prompt delivery. Daily arrivals stood at 70'000 bales and are expected to gather pace from Mid-November onwards. The Indian rupee vs. the US dollar stabilized in the range of 73.15 to 74.00.

Weather Update:

19th Nov, Heavy rain very likely at isolated places over Lakshadweep. ♦ Strong wind speed reaching 30-40 kmph gusting to 50 kmph very likely over southeast Arabian Sea and along & off Kerala coast.

- In October, India got a paltry 44% of the month's average—the lowest since 1976.
- An erratic monsoon, such as the one this year, poses extensive challenges for adaptation.
- Maharashtra, which has declared drought in 42% of its area, is in the throes of a groundwater crisis.
- Experts have rung warning bells about the possible impacts of the brewing El Niño.



International Fundamentals:

ICE cotton futures settled mostly unchanged on Friday, after gaining over 1 percent earlier in the session amid a softer dollar and nagging harvest concerns because of bad weather. The most active cotton contract on ICE Futures U.S., the March contract, settled up 0.01 cent, or 0.01 percent, at 78.29 cents per lb. The contract rose as much as 1.4 percent earlier in the session. It traded within a range of 78.04 cents and 79.34 cents a lb.

December cotton was slightly lower on Thursday amid a noticeable swing in contract volume. Interestingly, December's estimated volume on Thursday was 12,600, but March's estimated volume was 21,700 contracts.

Apparently, some sort of roll is now occurring. To that end, December cotton does commence its first notice day, the day delivery notices are issued, on Monday, November 26.

This month's 2018/19 U.S. balance sheet shows lower production, consumption, exports, and ending stocks. Production is reduced 1.35 million bales due mainly to decreases in the Southeast, reflecting the impact of adverse weather. Domestic mill use is reduced 1.00 lakh bales and exports are reduced 5.00 lakh bales. Projected ending stocks in 2018/19 are 7.00 lakh bales lower this month, at 4.3 million bales or 24 percent of use. The marketing-year-average price received by producers is forecast between 71.0 and 77.0 cents per pound, with a midpoint of 74.0 cents, 1 cent above last month.

This month's 2018/19 world supply and demand forecasts include lower beginning stocks, production, consumption, trade, and ending stocks. Historical revisions to Benin's exports resulted in a 3.75 lakh bales decrease in 2018/19 beginning stocks there, accounting for much of this month's 5.00 lakh bale decline in global beginning stocks. Forecast global production is reduced 2.3 million bales as smaller expected crops in the United States, India, Pakistan, and Turkmenistan offset an increase in Benin. Consumption is reduced 8.75 lakh bales, with smaller expected mill use in India, Pakistan, Turkey, Brazil, Indonesia, and the United States. Global ending stocks are 1.8 million bales lower this month, at 73 million bales or 57 percent of mill use.

The US Department of Agriculture's Foreign Agricultural Service has projected India's Cotton production in 2018-19 (Aug-Jul) at 36.5 mln bales, down nearly by 2% against 37.2 mln bales in previous year, where one Indian bale equals 170 kg. Dry weather in the key growing regions of Gujarat and Maharashtra have hampered crop development and will likely to affect yields of standing crop. The US agency has estimated opening stock of Cotton for 2018-19 at 15.6 mln bales, higher than the opening stock of 14.3 mln bales in 2017-18. Imports have been estimated at 1.9 mln bales in 2018-19, compared with 2.2 mln bales in the previous year. On the demand side, consumption by mills in 2018-19 is seen at 32.1 mln bales, slightly higher from 31.4 bales a year earlier. Exports are seen falling to 5.5 mln bales from 6.7 mln bales in 2017-18. Considering consumption and exports, the closing stock at the end of 2018-19 is pegged at 16.6 mln bales, up from 15.6 mln bales the previous year.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-18(C1)	-1.18	1224	1228	1205	1211.5	5682	368	8654	-118

Spread	Oct 18(C1)			-	-	--	--
Spot	-				-	-	-
Nov-18					-	-	-

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

* Updated at as on 16 Nov 2018

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-18	-0.13	22410	22520	22300	22390	1240	193	3007	-106
Dec-18	-0.27	22490	22560	22350	22430	1539	167	5554	-64

Spread	Oct 18			-	-	--	--
Spot	-40				-	-	-
Nov-18					-	-	-

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

* Updated at as on 16-Nov- 2018

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	21-Nov-18	20-Nov-18	
Gujarat	Ahmedabad	Shankar-6	5825	5825	Unch
	Gondal	Shankar-6	Closed	5785	-
	Rajkot	B.T. Cotton	5775	5855	-80
	Patan	B.T. Cotton	5740	5750	-10
	Kadi	B.T. Cotton	5900	5800	100
	Deesa	B.T. Cotton	5530	5590	-60
	Dhrol	B.T. Cotton	5625	5750	-125
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5700	5700	Unch
	Bhiwani	Desi	6400	6500	-100
	Adampur	B.T. Cotton	5500	5540	-40
	Fatehabad	B.T. Cotton	5550	5600	-50
	Jind	B.T. Cotton	5720	5820	-100
	Uchana	B.T. Cotton	5529	5500	29
	Dabwali	B.T. Cotton	5800	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	5580	5600	-20
	Rawatsar	B.T. Cotton	5425	5450	-25
Madhya Pradesh	Khandwa	Mech-1	5585	5500	85
	Khargaon	Mech-1	5520	5540	-20
Maharashtra	Amravati	Mech-1	5900	5950	-50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5700	5700	Unch
	Hathras	Desi	4700	4700	Unch
Telangana	Adilabad	Un-Ginned	NR	NR	-
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	NR	6013	-
	Hubli	D.C.H.	NR	5855	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	5780	-
Commodity	Lint		Prices (Rs./Maund)		Change

State	Centre	Variety	21-Nov-18	20-Nov-18	
Punjab	Bhatinda	J-34	4510	4530	-20
	Abohar	J-34	4520	4520	Unch
	Mansa	J-34	4450	4505	-55
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4490	4530	-40
Rajasthan	Sri-Ganganagar	J-34	4183	4230	-47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Nov-18	20-Nov-18	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	Closed	3409	-
	Rajkot	B.T. Cotton	5810	5900	-90
	Patan	B.T. Cotton	23147	30433	-7286
	Kadi	B.T. Cotton	35000	35000	Unch
	Deesa	B.T. Cotton	60	95	-35
	Dhrol	B.T. Cotton	588	626	-38
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	6000	4000	2000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	1020	-170
	Fatehabad	B.T. Cotton	750	500	250
	Jind	B.T. Cotton	595	425	170
	Uchana	B.T. Cotton	2985	2665	320
	Dabwali	B.T. Cotton	100	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	2000	2000	Unch
	Rawatsar	B.T. Cotton	2000	1000	1000
Madhya Pradesh	Khandwa	Mech-1	4125	2000	2125
	Khargaon	Mech-1	7410	15320	-7910
Maharashtra	Amravati	Mech-1	13000	12000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	150	Unch
	Hathras	Desi	80	80	Unch
Telangana	Adilabad	Un-Ginned	NR	NR	-
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	NR	4667	-
	Hubli	D.C.H.	NR	76	-

	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	1027	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	21-Nov-18	20-Nov-18	
Punjab	Bhatinda	J-34	7650	8500	-850
	Abohar	J-34	850	850	Unch
	Mansa	J-34	680	680	Unch
Haryana	Sirsa	J-34	1700	1700	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	3500	-500

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		21-Nov-18	20-Nov-18	
Rajkot	Rs. /10 Kg.	700	700	Unch
New Delhi	Rs. /10 Kg.	685	695	-10
Hyderabad	Rs. /10 Kg.	Closed	715	-
Mumbai	Rs. /10 Kg.	720	720	Unch

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		21-Nov-18	20-Nov-18	
Mahesana (Kadi)	Rs./Qtl	1969	2009	-40
Akola	Rs./Qtl	NA	1975	-

Cotton Prices at Key Spot Markets:

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				20-Nov-18	19-Nov-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42600	42800	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43100	43300	-200
J-34(202)	26mm	3.5 - 4.9	23	NA	NA	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NA	NA	-
Shankar-6(105)	29mm	3.5 - 4.9	28	45400	45700	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46600	46900	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46900	47200	-300
DCH-32(107)	34mm	3.0 - 3.8	33	57600	57900	-300

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 21-Nov-2018		
Index	RMB/Ton	Change
CCIndex(328)	15546	-6
CCIndex(527)	14612	-1
CCIndex(229)	16126	-9
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 21-Nov-2018		
Index	Cents/lb	Change
FC Index (S)	89.75	-0.64
FC Index (M)	85.98	-0.49
FC Index (L)	84.55	-0.09

Cotlook Index: As on 20-Nov-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	86.05	-0.25

USDA-20.11.2018			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	75.43	77.68	NIL
North Delta	74.68	76.43	NIL
South Delta	74.68	76.43	NIL
East TX-OK	71.18	73.68	623.00
West Texas	71.18	73.68	962.00
Desert SW	70.68	74.68	NIL
SJ Valley	71.18	80.08	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

Pakistan Cotton Spot rates: As on 20-Nov-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8800	160	8960
Equivalent	40 Kgs	9431	171	9602

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-18	181120	75.79	76.19	75.22	75.27	-0.61	12,126	24,363	-7,824
Mar-19	181120	78.03	78.37	77.37	77.43	-0.62	20,632	126,971	-1,017
May-19	181120	79.32	79.63	78.63	78.67	-0.65	3,407	32,885	709
Jul-19	181120	80.47	80.8	79.84	79.87	-0.62	872	16,415	171
Oct-19	181120	77.14	77.14	77.14	77.14	-0.62	0	4	0
Dec-19	181120	77.18	77.18	76.6	76.63	-0.55	229	30,479	-3
Total Volume and Open Interest							37,280	233,057	-7,961

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