

Domestic Fundamentals:

Market Outlook:

Mixed trend were seen in the physical cotton spot market today after the commencement of buying . In the long run, prices may go up as International buyers are expected to import large quantities of cotton from India as a result prices may touch its higher record prices. Acreage drop and lower cotton production in the current season as well as adverse weather conditions in other key cotton growing countries and good global demand is likely to keep cotton prices firm in long run. Importers may get active as supported by strong Rupee.

In the News:

According to the Cotton Advisory board, the cotton production of India is placed 2 to 3% lower to 36 mln bales in 2018-19 as compared to its estimates of 2017-18 followed by lower production estimates in Gujarat and Maharashtra on account of scanty rains. As per IMD, Gujarat got 484.6 mm rainfall, 28% below the normal, while Maharashtra got 925.8 mm rainfall, 8% below normal during the July-September 2018.

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.

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 5,800 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 44500 to 47,000 Rs./Candy during the week.

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.

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 in mixed zone across major trading centers. Gujarat 29mm cotton traded around INR 45200 per candy. The Indian rupee vs. the US dollar stabilized in the range of 70.67 to 74.00 in 30 days.

Weather Update:

23rd Nov 2018, Heavy rainfall at a few places and very heavy at isolated places observed over north Tamilnadu & Puducherry and Heavy rain observed at isolated places over Rayalaseema and south Coastal Andhra Pradesh.

- Dry weather likely over the rest of the country.
- 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 prices unchanged on Thursday trading as no trading activities. The most active cotton contract on ICE Futures U.S., the March 19 contract, settled unchanged at 78.78 cents per lb. The contract rose as much as 1.4 percent earlier in the session. It traded within a range of 78.05 cents and 78.78 cents a lb.

As per sources, cotton output of China is estimated to touch the level down by 0.9% to 6.07 million tonne from the previous year. Cotton acreage in the Yellow River area fell 8.3 percent from a year earlier and the Yangtze River region dropped 12.3 percent from a year ago, contributing to the drop in overall output of the fibre. China's top cotton growing region, is set to be 5.01 million tonnes in 2018, around the same level as last year, as an acreage increase offset yield decreases caused by bad weather earlier.

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 lakhbales 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.

MCX Cotton Futures*: (Prices in Rs/170 kgs)									
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	23-Nov-18	22-Nov-18	
Gujarat	Ahmedabad	Shankar-6	5750	5750	Unch
	Gondal	Shankar-6	5695	5705	-10
	Rajkot	B.T. Cotton	5855	5840	15
	Patan	B.T. Cotton	5820	5800	20
	Kadi	B.T. Cotton	5900	5900	Unch
	Deesa	B.T. Cotton	5525	5480	45
	Dhrol	B.T. Cotton	5640	5675	-35
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	Closed	5700	-
	Bhiwani	Desi	Closed	6400	-
	Adampur	B.T. Cotton	5600	5550	50
	Fatehabad	B.T. Cotton	5650	5640	10
	Jind	B.T. Cotton	5760	5800	-40
	Uchana	B.T. Cotton	5601	5600	1
	Dabwali	B.T. Cotton	5505	5850	-345
Rajasthan	Hanumangarh	B.T. Cotton	5500	5600	-100

	Rawatsar	B.T. Cotton	5500	5500	Unch
Madhya Pradesh	Khandwa	Mech-1	5509	5400	109
	Khargaon	Mech-1	5530	NR	-
Maharashtra	Amravati	Mech-1	5750	5850	-100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	5800	Unch
	Hathras	Desi	5050	5050	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	5869	5979	-110
	Hubli	D.C.H.	NR	5819	-
	Hubli	B.T. Cotton	NR	6789	-
	Raichur	H-44 Cotton	5700	5700	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Nov-18	22-Nov-18	
Punjab	Bhatinda	J-34	4530	4540	-10
	Abohar	J-34	4535	4540	-5
	Mansa	J-34	Closed	4525	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4520	4520	Unch
Rajasthan	Sri-Ganganagar	J-34	4324	4277	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Nov-18	22-Nov-18	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	3825	5250	-1425
	Rajkot	B.T. Cotton	5500	6040	-540
	Patan	B.T. Cotton	10185	17093	-6908
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	70	40	30
	Dhrol	B.T. Cotton	660	546	114
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	Closed	4000	-
	Bhiwani	Desi	Closed	NA	-
	Adampur	B.T. Cotton	1020	1020	Unch
	Fatehabad	B.T. Cotton	700	500	200
	Jind	B.T. Cotton	689	680	9

	Uchana	B.T. Cotton	2405	3220	-815
	Dabwali	B.T. Cotton	950	100	850
Rajasthan	Hanumangarh	B.T. Cotton	1000	1800	-800
	Rawatsar	B.T. Cotton	1500	1000	500
Madhya Pradesh	Khandwa	Mech-1	4448	2000	2448
	Khargaon	Mech-1	10920	NR	-
Maharashtra	Amravati	Mech-1	14000	13000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	250	250	Unch
	Hathras	Desi	150	150	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	3730	5615	-1885
	Hubli	D.C.H.	NR	162	-
	Hubli	B.T. Cotton	NR	26	-
	Raichur	H-44 Cotton	810	1875	-1065
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Nov-18	22-Nov-18	
Punjab	Bhatinda	J-34	5100	6800	-1700
	Abohar	J-34	510	1020	-510
	Mansa	J-34	Closed	510	-
Haryana	Sirsa	J-34	1190	1700	-510
Rajasthan	Sri-Ganganagar	J-34	4000	3000	1000

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		23-Nov-18	22-Nov-18	
Rajkot	Rs. /10 Kg.	710	705	5
New Delhi	Rs. /10 Kg.	685	685	Unch
Hyderabad	Rs. /10 Kg.	710	695	15
Mumbai	Rs. /10 Kg.	720	718	2

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		23-Nov-18	22-Nov-18	
Mahesana (Kadi)	Rs./Qtl	Closed	1972	-
Akola	Rs./Qtl	Closed	1950	-

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
				22-Nov-18	21-Nov-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42500	42600	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43000	43100	-100
J-34(202)	26mm	3.5 - 4.9	23	NA	NA	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44100	44200	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	45200	45000	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46200	46300	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46500	46600	-100
DCH-32(107)	34mm	3.0 - 3.8	33	57600	57600	Unch

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 23-Nov-2018

Index	RMB/Ton	Change
CCIndex(328)	15508	Unch
CCIndex(527)	14569	-7
CCIndex(229)	16066	-2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 23-Nov-2018

Index	Cents/lb	Change
FC Index (S)	91.03	Unch
FC Index (M)	87.28	Unch
FC Index (L)	85.84	Unch

Cotlook Index: As on 22-Nov-2018

Cotlook Indices	Cents/Pound	Change
A-Index	86.75	1.25

USDA-21.11.2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales

Southeast	76.78	79.03	NIL
North Delta	76.03	77.78	NIL
South Delta	76.03	77.78	NIL
East TX-OK	72.53	75.03	1574.00
West Texas	72.53	75.03	3430.00
Desert SW	72.03	76.03	NIL
SJ Valley	72.53	81.43	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 22-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

Daily Futures Price Listing Thu November 22, 2018									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Dec-18	181121	75.30	77.20	75.11	76.51	1.24	10,480	18,556	-5,807
Mar-19	181121	77.37	79.39	77.25	78.78	1.35	19,466	128,556	1,585
May-19	181121	78.64	80.45	78.48	79.88	1.21	5,188	33,903	1,018
Jul-19	181121	79.84	81.51	79.65	81.01	1.14	661	16,680	265
Oct-19	181121	78.26	78.26	78.26	78.26	1.12	0	4	0
Dec-19	181121	76.66	77.48	76.60	77.08	0.45	250	30,635	156
Total Volume and Open Interest							36,051	230,275	-2,782

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