

Domestic Fundamentals:**Market Outlook:**

Mixed prices trend witnessed in the Cotton spot market today on ups and downs in regular demand. However, Cotton prices in Gujarat market quoted lower side amid higher arrival pace. In Gujarat, cotton prices quoted lower prices on account of lower demand amid strong Rupees against dollar. Daily Prices of Shankar-6 cotton variety in Ahmedabad stood at Rs. 5650 per Qtl unchanged from previous day record. Strong dollar help Indian cotton exporters to offer its product at competitive prices in the global markets to earn more profit. Slow demand in natural fibre and yarn market are not supporting cotton prices to go up. Ups and downs in arrivals are registered today in the market as some of the sellers are in fear that prices may go down from the current level.

In the News:

In the WTO's Committee on Agriculture on November 26-27, 2018, India rejects the allegation of U.S that the country provides substantial market price for cotton well in excess of India's WTO (World Trade Organization) spending limits. India says that market price support will help to the poor growers of crop.

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.

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.

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.

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

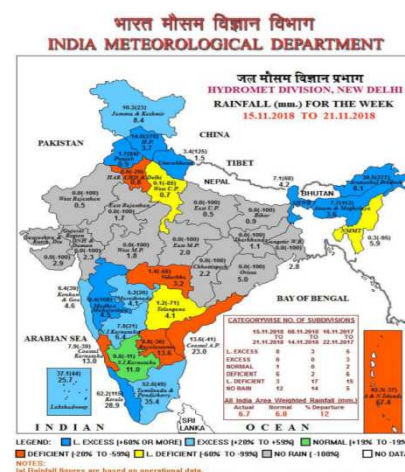
slapped a 25% additional duty on imports of the fibre from the US. India's forward export contracts of cotton have more than doubled from about 7 lakh bales in Sep 2017.

Weather Update:

15 to 21st November 2018, Heavy to very heavy rainfall with extremely heavy falls had been reported at isolated places over Kerala; Heavy to very heavy rainfall at isolated places had been reported over Tamilnadu & Puducherry and heavy rainfall at isolated places had been reported over Coastal Andhra Pradesh, Telangana and South Interior Karnataka on one day each during the week.

Weather Forecast:-

- Dry weather likely over the rest of the country.
- Isolated to scattered rainfall likely over Andaman & Nicobar Islands and south peninsular India on 3rd December and scattered to fairly widespread rainfall over these regions on 4th December..
- 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 increased by 1 percent on Wednesday (28 November 2018) on rejuvenated risk sentiment, propelled by indications from the U.S. Federal Reserve Chairman that its interest rate hike cycle was nearing an end.

The most active cotton contract on ICE Futures U.S., the March 19 contract, is 1.28% up to 78.88 cents per lb against last day record. As on 28th November, Certificated cotton stocks 21 totaled stood at 142,926 480-lb bales, up from 142,879 in the previous session. Total futures market volume declined by 3,837 to 14,642 lots. While, total open interest went down to 467 to 219,995 contracts in the previous session.

As per the recent USDA Recent Report, 15 states of the world have picked total 98% of the 2017 cotton area so far. As on November 26,2018. Farmers have picked total 70% of cotton which is lower than previous year record i.e. 78% in the corresponding period of time due adverse weather condition. While, current harvested crop size is more than last week record i.e. 59%. It has reported average 77% of total picked cotton crop size during 2013 to 2017 period of time.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-18	0.65	21410	21470	21270	21300	93	-140	303	-140
Jan-19	-0.86	19820	19870	19490	19650	515	-170	1108	-170
Spread	Dec-18			-		-			
Spot						-			
Jan-18						-			

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	29-Nov-18	28-Nov-18	
Gujarat	Ahmedabad	Shankar-6	5650	5650	Unch
	Gondal	Shankar-6	5620	5600	20
	Rajkot	B.T. Cotton	5650	5675	-25
	Patan	B.T. Cotton	5690	5640	50
	Kadi	B.T. Cotton	5750	5750	Unch
	Deesa	B.T. Cotton	5340	5335	5
	Dhrol	B.T. Cotton	5620	5615	5
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5680	5700	-20
	Bhiwani	Desi	6350	6300	50
	Adampur	B.T. Cotton	5500	5500	Unch
	Fatehabad	B.T. Cotton	5500	5500	Unch
	Jind	B.T. Cotton	5740	5810	-70
	Uchana	B.T. Cotton	5550	5515	35
	Dabwali	B.T. Cotton	5485	5455	30
Rajasthan	Hanumangarh	B.T. Cotton	5500	5550	-50
	Rawatsar	B.T. Cotton	5425	5400	25
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5725	5740	-15
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5700	5750	-50
	Hathras	Desi	4800	4800	Unch
Telangana	Adilabad	Un-Ginned	5440	5425	15
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	5823	5813	10
	Hubli	D.C.H.	NR	5751	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	5650	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	29-Nov-18	28-Nov-18	
Punjab	Bhatinda	J-34	4480	4460	20
	Abohar	J-34	4480	4460	20
	Mansa	J-34	4465	4450	15
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4460	4440	20
Rajasthan	Sri-Ganganagar	J-34	4183	4324	-141

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	29-Nov-18	28-Nov-18	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	3216	3594	-378
	Rajkot	B.T. Cotton	5300	5600	-300
	Patan	B.T. Cotton	21575	27438	-5863
	Kadi	B.T. Cotton	25000	35000	-10000
	Deesa	B.T. Cotton	115	60	55
	Dhrol	B.T. Cotton	608	533	75
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5000	4000	1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	1020	-170
	Fatehabad	B.T. Cotton	700	600	100
	Jind	B.T. Cotton	850	799	51
	Uchana	B.T. Cotton	2100	2215	-115
	Dabwali	B.T. Cotton	1050	875	175
Rajasthan	Hanumangarh	B.T. Cotton	3000	3000	Unch
	Rawatsar	B.T. Cotton	6000	4000	2000
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	13000	14000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	60	90
	Hathras	Desi	60	60	Unch
Telangana	Adilabad	Un-Ginned	8560	10667	-2107
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	3928	4140	-212
	Hubli	D.C.H.	NR	76	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	592	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	29-Nov-18	28-Nov-18	
Punjab	Bhatinda	J-34	6800	6800	Unch

	Abohar	J-34	850	850	Unch
	Mansa	J-34	850	510	340
Haryana	Sirsa	J-34	1700	1700	Unch
Rajasthan	Sri-Ganganagar	J-34	2500	4000	-1500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				28-Nov-18	27-Nov-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41500	41800	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42000	42300	-300
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	44100	44200	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45800	45800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46400	46400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	57700	57700	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		29-Nov-18	28-Nov-18	
Rajkot	Rs. /10 Kg.	682	682	Unch
New Delhi	Rs. /10 Kg.	700	700	Unch
Hyderabad	Rs. /10 Kg.	695	700	-5
Mumbai	Rs. /10 Kg.	712	712	Unch

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		29-Nov-18	28-Nov-18	
Mahesana (Kadi)	Rs./Qtl	1935	1947	-12
Akola	Rs./Qtl	1934	1939	-5

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 29-Nov-2018		
Index	RMB/Ton	Change
CCIndex(328)	15429	Unch
CCIndex(527)	14483	-1

CCIndex(229)	15939	-3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 29-Nov-2018

Index	Cents/lb	Change
FC Index (S)	91.56	1.00
FC Index (M)	87.89	1.00
FC Index (L)	86.71	1.00

Cotlook Index: As on 28-Nov-2018

Cotlook Indices	Cents/Pound	Change
A-Index	85.85	-0.55

USDA Cotton Spot Rates: As on 28-Nov-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	76.88	79.13	NIL
North Delta	76.13	77.88	NIL
South Delta	76.13	77.88	NIL
East TX-OK	72.63	75.13	2614
West Texas	72.63	75.13	4654
Desert SW	72.13	76.13	NIL
SJ Valley	72.63	81.53	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.): Ason28-Nov-2018

Contract	Open	High	Low	Close	Change
18-Dec	77.36	77.85	77.33	77.76	0.99
19-Mar	77.88	79.05	77.70	78.88	1.00
19-May	79.07	80.12	78.88	79.96	0.92
19-Jul	80.25	81.18	79.96	81.01	0.83
19-Oct	78.06	78.06	78.06	78.06	0.74
19-Dec	76.46	77.29	76.46	77.05	0.43

Pakistan Cotton Spot rates: As on28-Nov-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8650	160	8810
Equivalent	40 Kgs	9270	171	9441

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