

Domestic Fundamentals:

Market Outlook:

Mostly prices are down in the cotton spot markets amid higher supplies. Daily Prices of Shankar-6 cotton variety in Ahmedabad are remain at Rs. 5650 per Qtl 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. Punjab market cotton prices slumped at 4450 Rs./Maund today compared to last day price i.e. 4480 Rs./Maund. Slow demand in natural fibre and yarn market are not supporting cotton prices to go up. Arrivals pace increase in most of markets as sellers are in fear that cotton prices may fall from the current level.

In the News:

In the WTO's Committee on Agriculture on November 26-27, 2018, India rejected 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 said that the support provided is intended to ensure that poor farmers do not resort to sales under distress and that procurement by government agencies accounts for less than 2% of total production.

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.

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:

30rd Nov 2018, Squally weather is likely to prevail over southeast Arabian Sea and adjoining Equatorial Indian Ocean. Dense fog at isolated places very likely over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura in the morning hours.

Friday 30 November 2018



Weather Forecast:-

- Dry weather likely over the rest of the country.
- Dense fog at isolated places very likely over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura in the morning hours.
- Heavy rain likely at isolated places over south coastal Andhra Pradesh and north Coastal Tamilnadu.
- No significant change in minimum temperatures are likely over major parts of the country during next 3-4 days.

International Fundamentals:

ICE cotton futures prices closed down by 1.2 percent on Thursday higher selling pressures. Weak sentiments for global market prices are remain for next day trading session.

As per sources, USDA declared the World market price for upland cotton at 67. 92% per lb which will be imposed by today night.

As per Reuter news, USDA expect that Uzbekistan's cotton planting area and production for marketing year (MY) 2018/19 will stand 1.17 million hectares and 3.35 million bales (480 pound bales) which is 730,000 MT. Yield are estimated down due to adverse growing conditions in almost all regions. There has been rapid expansion of the new "cotton-textile cluster" project, driving investment and modernization of each stage of production from cotton to textiles. Domestic cotton consumption is increasing year by year with new investments that are reducing cotton availability for exports. Accordingly, MY 2018/19 domestic consumption is estimated at about 2.66 million bales (580,000 MT) and exports at 1.05 million bales (230,000 MT).

As per sources, cotton production in Zimbabwe for the 2017/18 increased by 73.1 million kg to 142.7 million kg. in October 2018 against last year record during the same period last year. In the 2018 marketing season, farmers were paid minimum prices ranging from 51.7 cents to 55 cents per kg before grade adjustments.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-18	-0.66	21220	21340	21200	21200	166	-140	324	-140
Jan-19	-0.86	19820	19870	19490	19650	3680	+5.55	31300	+5.55

Spread	Dec-18		-	-	--	--
Spot			-	-	-	-
Jan-18			-	-	-	-

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

* Updated at as on 30-Nov- 2018

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	30-Nov-18	29-Nov-18	
Gujarat	Ahmedabad	Shankar-6	5650	5650	Unch
	Gondal	Shankar-6	5585	5620	-35
	Rajkot	B.T. Cotton	5705	5650	55
	Patan	B.T. Cotton	5635	5690	-55
	Kadi	B.T. Cotton	5750	5750	Unch
	Deesa	B.T. Cotton	5340	5340	Unch
	Dhrol	B.T. Cotton	5515	5620	-105
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5680	5680	Unch
	Bhiwani	Desi	6300	6350	-50
	Adampur	B.T. Cotton	5460	5500	-40
	Fatehabad	B.T. Cotton	5470	5500	-30
	Jind	B.T. Cotton	5660	5740	-80
	Uchana	B.T. Cotton	5555	5550	5
	Dabwali	B.T. Cotton	5420	5485	-65
Rajasthan	Hanumangarh	B.T. Cotton	5450	5500	-50
	Rawatsar	B.T. Cotton	5350	5425	-75
Madhya Pradesh	Khandwa	Mech-1	5400	Closed	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5700	5725	-25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5700	5700	Unch
	Hathras	Desi	4800	4800	Unch
Telangana	Adilabad	Un-Ginned	5415	5440	-25
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	5825	5823	2
	Hubli	D.C.H.	NR	5725	-
	Hubli	B.T. Cotton	NR	6820	-
	Raichur	H-44 Cotton	5650	5650	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	30-Nov-18	29-Nov-18	
Punjab	Bhatinda	J-34	4450	4480	-30

	Abohar	J-34	4450	4480	-30
	Mansa	J-34	4425	4465	-40
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4430	4460	-30
Rajasthan	Sri-Ganganagar	J-34	4089	4183	-94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	30-Nov-18	29-Nov-18	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	3471	3216	255
	Rajkot	B.T. Cotton	5750	5300	450
	Patan	B.T. Cotton	19584	21575	-1991
	Kadi	B.T. Cotton	35000	25000	10000
	Deesa	B.T. Cotton	50	115	-65
	Dhrol	B.T. Cotton	647	608	39
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4000	5000	-1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	850	170
	Fatehabad	B.T. Cotton	1200	700	500
	Jind	B.T. Cotton	1105	850	255
	Uchana	B.T. Cotton	2470	2100	370
	Dabwali	B.T. Cotton	1100	1050	50
Rajasthan	Hanumangarh	B.T. Cotton	2800	3000	-200
	Rawatsar	B.T. Cotton	4000	6000	-2000
Madhya Pradesh	Khandwa	Mech-1	5000	Closed	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	13000	13000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	60	150	-90
	Hathras	Desi	85	60	25
Telangana	Adilabad	Un-Ginned	7739	8560	-821
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	3965	3928	37
	Hubli	D.C.H.	NR	104	-
	Hubli	B.T. Cotton	NR	16	-
	Raichur	H-44 Cotton	562	630	-68

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	30-Nov-18	29-Nov-18	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	1020	850	170
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	2040	1700	340
Rajasthan	Sri-Ganganagar	J-34	4000	2500	1500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				29-Nov-18	28-Nov-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41400	41500	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41900	42000	-100
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	44100	Unch
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
		30-Nov-18	29-Nov-18	
Rajkot	Rs. /10 Kg.	675	682	-7
New Delhi	Rs. /10 Kg.	678	700	-22
Hyderabad	Rs. /10 Kg.	690	695	-5
Mumbai	Rs. /10 Kg.	710	712	-2

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		30-Nov-18	29-Nov-18	
Mahesana (Kadi)	Rs./Qtl	1922	1935	-13
Akola	Rs./Qtl	1924	1934	-10

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 30-Nov-2018		
Index	RMB/Ton	Change
CCIndex(328)	15423	-6
CCIndex(527)	14482	-1
CCIndex(229)	15936	-3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 30-Nov-2018		
Index	Cents/lb	Change
FC Index (S)	91.27	-0.29
FC Index (M)	87.35	-0.54
FC Index (L)	84.40	-2.31

Cotlook Index: As on 29-Nov-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	86.80	0.95

USDA Cotton Spot Rates: As on 29-Nov-2018			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	76.68	78.93	NIL
North Delta	75.93	77.68	NIL
South Delta	75.93	77.68	25.00
East TX-OK	72.43	74.93	2525.00
West Texas	72.43	74.93	5577.00
Desert SW	72.18	76.18	648.00
SJ Valley	72.68	81.58	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.): Ason29-Nov-2018

Contract	Open	High	Low	Close	Change
18-Dec	78.11	78.11	76.45	76.64	-1.12
19-Mar	78.75	79.20	78.02	78.68	-0.20
19-May	79.83	80.29	79.17	79.75	-0.21
19-Jul	80.98	81.34	80.26	80.80	-0.21
19-Oct	77.94	77.94	77.94	77.94	-0.12
19-Dec	77.00	77.29	76.76	76.81	-0.24

Pakistan Cotton Spot rates: As on29-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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