

Domestic Fundamentals:**Market Outlook:**

Mixed price trend are extended in the cotton prices due to ups and downs in demand. Global prices are improving as of now. Mills are buying cotton for their short term needs only. In Punjab and Haryana state, cotton prices are ruling Rs. 200 to 400 above the MSP in the ongoing procurement season. Strong dollar may 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 flow of arrivals has been registered today in market.

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.

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.

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.

Friday 30 November 2018



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	-0.65	21220	21340	21200	21200	166	-50	324	-50
Jan-19	-0.86	19820	19870	19490	19650	515	-170	1108	+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	1-Dec-18	30-Nov-18	
Gujarat	Ahmedabad	Shankar-6	5650	5650	Unch
	Gondal	Shankar-6	5610	5585	25
	Rajkot	B.T. Cotton	5730	5705	25
	Patan	B.T. Cotton	5565	5635	-70
	Kadi	B.T. Cotton	5750	5750	Unch
	Deesa	B.T. Cotton	5355	5340	15
	Dhrol	B.T. Cotton	5375	5515	-140
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5650	5680	-30
	Bhiwani	Desi	6300	6300	Unch
	Adampur	B.T. Cotton	5425	5460	-35
	Fatehabad	B.T. Cotton	5410	5470	-60
	Jind	B.T. Cotton	5680	5660	20
	Uchana	B.T. Cotton	NR	5555	-
	Dabwali	B.T. Cotton	5385	5420	-35
Rajasthan	Hanumangarh	B.T. Cotton	5400	5450	-50
	Rawatsar	B.T. Cotton	5300	5350	-50
Madhya Pradesh	Khandwa	Mech-1	5525	5400	125
	Khargaon	Mech-1	5500	NR	-
Maharashtra	Amravati	Mech-1	5700	5700	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5750	5700	50
	Hathras	Desi	4900	4800	100
Telangana	Adilabad	Un-Ginned	5400	5415	-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	5818	5825	-7
	Hubli	D.C.H.	NR	5709	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	5650	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	1-Dec-18	30-Nov-18	
Punjab	Bhatinda	J-34	4400	4450	-50
	Abohar	J-34	4400	4450	-50
	Mansa	J-34	4380	4425	-45

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4390	4430	-40
Rajasthan	Sri-Ganganagar	J-34	4089	4089	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Dec-18	30-Nov-18	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	2882	3471	-589
	Rajkot	B.T. Cotton	4600	5750	-1150
	Patan	B.T. Cotton	22187	19584	2603
	Kadi	B.T. Cotton	35000	35000	Unch
	Deesa	B.T. Cotton	30	50	-20
	Dhrol	B.T. Cotton	558	647	-89
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	1400	1200	200
	Jind	B.T. Cotton	1156	1105	51
	Uchana	B.T. Cotton	NR	2470	-
	Dabwali	B.T. Cotton	1150	1100	50
Rajasthan	Hanumangarh	B.T. Cotton	3000	2800	200
	Rawatsar	B.T. Cotton	3000	4000	-1000
Madhya Pradesh	Khandwa	Mech-1	2820	5000	-2180
	Khargaon	Mech-1	64300	NR	-
Maharashtra	Amravati	Mech-1	13000	13000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	60	60	Unch
	Hathras	Desi	80	85	-5
Telangana	Adilabad	Un-Ginned	7733	7739	-6
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	3642	3965	-323
	Hubli	D.C.H.	NR	48	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	562	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Dec-18	30-Nov-18	

Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	1360	1020	340
	Mansa	J-34	1020	850	170
Haryana	Sirsa	J-34	2550	2040	510
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
				30-Nov-18	29-Nov-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41400	41400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41900	41900	Unch
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	44000	44100	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45600	45800	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46300	46400	-100
DCH-32(107)	34mm	3.0 - 3.8	33	57700	57700	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		1-Dec-18	30-Nov-18	
Rajkot	Rs. /10 Kg.	680	675	5
New Delhi	Rs. /10 Kg.	678	678	Unch
Hyderabad	Rs. /10 Kg.	690	690	Unch
Mumbai	Rs. /10 Kg.	710	710	Unch

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		1-Dec-18	30-Nov-18	
Mahesana (Kadi)	Rs./Qtl	1926	1922	4
Akola	Rs./Qtl	1924	1924	Unch

INTERNATIONAL PRICES AND INDICES

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

<u>China Foreign Cotton (FCE) Index : As on 30-Nov-2018</u>		
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

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

<u>USDA Cotton Spot Rates: As on 30-Nov-2018</u>			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	76.91	79.16	251.00
North Delta	76.16	77.91	NIL
South Delta	76.16	77.91	NIL
East TX-OK	72.66	75.16	663.00
West Texas	72.66	75.16	6954.00
Desert SW	72.41	76.41	648.00
SJ Valley	72.91	81.81	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.): Ason30-Nov-2018

Contract	Open	High	Low	Close	Change
18-Dec	77.94	77.94	77.16	77.16	0.52
19-Mar	78.70	79.32	78.45	78.91	0.23
19-May	79.95	80.39	79.58	79.95	0.20
19-Jul	81.00	81.41	80.69	81.00	0.20
19-Oct	78.02	78.02	78.02	78.02	0.08
19-Dec	77.06	77.30	77.00	77.03	0.22

Pakistan Cotton Spot rates: As on30-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

Disclaimer

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