

Domestic Fundamentals:

Market Outlook:

The Rajkot mandi price for variety Shankar 6 stood Rs.38,500/per candy (68.12 cents/lb). Cotton prices reported to be weak trend today in Gujarat compared to the previous day due to heavy rains in the main cotton belts which has increased the moisture content in the cotton. Whereas the Punjab and Haryana gained support after CCI involvement in procuring cotton.

News: CCI is in full swing to procure cotton from North India that were in sluggish mode during the last month due to high moisture content. *The prices in Punjab, Haryana and Rajasthan recovered to certain level around Rs.5300-5400/q during this week. The agency had gradually increased its purchase, as cotton produce arriving in the market these days had moisture content within permissible limits.*

According to the Indian Cotton Association Limited (ICAL), more than 15 lakh bales of raw cotton *have arrived in the mandis of Punjab, Haryana and Rajasthan in September and October, according to the Indian Cotton Association Limited (ICAL). Rajasthan has recorded arrivals of 7.13 lakh from September 1 to October 31, while the figure is 6.01 lakh bales in Haryana and 1.91 lakh bales in Punjab.*

High moisture content in fresh cotton harvest arriving in spot market has hit purchases and availability of quality produce as desired by textile mills. *Therefore, arrivals as well as the prices for the low quality declined by this week. CCI in Andhra Pradesh is not procuring as expected leaving the window open for private traders. Farmers are not getting the MSP at very lower prices around Rs.4800 to 5050/q on selling to private traders whereas CCI is procuring cotton at MSP (Rs.5550/q).*

CAI released its estimates for 2019-20 season at 355 lakh bales of cotton production, up by 13.6% compared to the previous year's production. *Comparatively, Agriwatch estimates the production might range around 351 lakh bales in 2019-20 against 321 lakh bales in 2018-19 season. CAI projects that exports are likely to remain steady at last year's level of 4.2 million bales, the lowest in a decade. If exports to remain steady, the United States and Brazil exports may increase to key Asian buyers such as Vietnam, Bangladesh and Pakistan.*

According to the latest data released by the textile industry, the Indian cotton yarn exports declined drastically by 33% till Sep'19 *from the starting of the financial year in April'19. India exported 101 million kg in 2018 while only 67 million kg in 2019 during April to September. The top importers of cotton yarn (including raw cotton) were China (-55%), Bangladesh (-42%) and Egypt so far in 2019 although the exports to these countries were lesser compared to the previous year (2018) because of disparity between domestic and international cotton prices. Decline in raw cotton exports from Bangladesh (-45%), Vietnam (-83%), China (-88%), Pakistan (-42%) and Vietnam (-33%) also witnessed decline probably due to the higher Indian cotton prices. The countries preferred buying cotton from Brazil and USA where the prices prevailed between 60-65 cents/lbs.*

CCI has not started procurement yet in bulk quantities in Punjab and Haryana. *Still the kapas prices in both the states are prevailing around Rs.5200-5400/q with the moisture content ranging between 13-15%. Whereas procurement in Adilabad market has started procurement primarily Primary Agricultural Cooperative Societies (PACS) and then would be lifted by CCI. Farmers are advised to dry the cotton, which got drenched in rain.*

Farmers in Adilabad, Telangana are distressed as they are not getting fair price of at least the MSP for cotton that has started trading from today (6th November'19). *Government agencies and private traders said that the moisture content is very high due to the continuous rains and farmers are ready to charge a low price. To ensure that farmers get a better price for cotton, the administration has implemented to ensure the arrival of cotton in phases in the mandis on the basis of mandals so that the entire quantity of cotton produced in the entire district does not reach the Adilabad market at the same time. Also the farmers would get enough time to reduce down the moisture to (8-12%) which are the permissible limit for CCI to procure cotton.*

According to the trade sources, the Indian cotton exports for the Sep'19 were reported at 71,403 bales against 94,000 bales in the previous month. The total exports of India from the starting of the marketing year in Oct'18 till Sep'19 expected to have reached to a total of 46.47 lakh bales around 23% lower compared to 60.12 lakh bales during the corresponding period in 2017-18. In Sep'19, Bangladesh was the largest importer, importing 63,226 Indian bales with an average FOB of 1.82 \$/Kg followed by Iran (3551 bales at FOB 1.84 \$/Kg) and Vietnam importing 2061 bales at 1.73 \$/Kg.

International Cotton Advisory Board projected the world production at 26.7 MMT 4% higher against 25.69 MMT in 2018-19. Due to the lower demand by the mills and US- China trade war affected the overall economy at the global level which has reduced the consumption in 2018-19 marketing year and likely to remain flat in 2019-20. India is expected to lead in the cotton production among the other countries at 6 million tonnes (35.29 Indian Lakh Bales). Similarly, China is projected imports at 8.05 million tonnes (47.5 Indian Lakh Bales) 2% down compared to the previous year. Both Mexico and Pakistan are expected to increase their imports by 48% (to 141,000 tonnes) and 8% (to 711,000 tonnes), respectively.

According to the Cotton Corporation of India, the total arrivals till 28th Oct'19 stood at 12.33 lakh bales. Out of which Rajasthan is leading with 3.77 lakh bales followed by Haryana with arrivals of 3.75 lakh bales, Gujarat with 1.38 lakh bales and 1.28 lakh bales as on date. The arrivals from Maharashtra (35,000 bales), Telangana (29,000 bales) and AP (31,000 bales) declined compared to the previous year at the same time due to disruptions caused by rainfall from last week in the cotton belts.

Rain in Maharashtra, Telangana and AP excess by 45% since last 10 days and more showers likely to continue this week. The southern parts of Madhya Pradesh also recorded heavy rainfall at one or two places with moderate rainfall. In Telangana, the fiber output was expected to be around 45-50 lakh bales as against 36-40 lakh bales in a normal year. But incessant rains in the last five-six weeks have shattered their hopes. CCI has announced to start kapas buying from 10th Nov onward in AP. Farmers have hold back kapas in anticipation of getting better realisation. As a result of this arrivals have dropped to 50% and is still likely to drop further. This may result in unhealthy competition and increase the price of kapas across all the variety.

Weather Forecast for tomorrow:

Scattered light to moderate rain is likely in Kerala, Tamil Nadu, Andhra Pradesh Coast, South Karnataka, Rayalaseema and South Konkan region. Scattered light rain is likely in a few parts of Rajasthan. The intensity will increase during the next 48 hours. Rain is likely in many parts of West Rajasthan. A few moderate spells may also occur. Isolated rain may occur in one or two parts of West Haryana and adjoining Punjab. Morning temperatures will drop over Central and parts of East India.

International Fundamentals:

Cotton futures were 29 to 52 points lower with, Dec 19 Cotton closed at 64.22, down 52 points. Cotlook A Index dropped 95 points, down to 75.00 cents/lb. The AWP of 56.63 cents/lb.

The 2019 U.S. crop is now estimated further down to 20.8 million US bales. USDA lowered U.S. production 60,000 bales from previous month' estimates and lowered ending stocks from 7 million bales down to 6.1 million bales. USDA reported the overall 62% of the crop have been harvested higher against 53% in the previous year. The excellent quality of the crop is stimulating export demand as the crop moves to warehouses whereas the reduction in production estimates is triggering more imports by US.

Pakistan is expecting shortfall in cotton production and around 3.5-4.5m bales would have to be imported. Cotton production for current season (2019-20) would not be more than 9 million bales as estimated by the country earlier. The production from the Punjab having sharply declined due to the excessive rains and due to the use of inferior quality pesticides made the situation uncontrollable.

Pakistan is likely to produce 35% less cotton compared to the previous year, therefore, Pakistan is already importing cotton from US and Brazil. As the supply declined to combat the demand, the country might import cotton from India if

the trade resumes. India is assuming that it is the good opportunity to export cotton and cotton yarn to Pakistan. In 2018, India exported around 5 lakh bales to Pakistan. It is expected that this year the exports might reach around 10-15 lakh bales.

The US Export Sales report from USDA showed 164,500 RB of 2019-20 upland cotton sold in the week ending 31st Oct'19 were up by 52% compared to previous week. With major buyers including Pakistan (95,100 RB), followed by Vietnam (45,100 RB) & Turkey (33,200 RB) and reductions were from Indonesia (65,900RB), Hong Kong (2,400RB). For 2020-21, net upland shipments exports of 129,700 RB were down 13% and were primarily to Pakistan (21,600RB), Vietnam (17,900 RB), China (14,400RB) and Indonesia (12,800RB).

The USDA's weekly crop progress report showed cotton harvest crest above 53% complete in the week ending 3rd November. The 7 day forecast is moderate to heavy precipitation for North East Texas and most of Oklahoma in US. The South is forecasted to receive about an inch of accumulated precipitation. The average pace is 51%, and compared to last year we are 5 percentage points ahead of schedule. Texas was 42% complete, normally 38%, and GA has harvested 67% of their crop 11 percentage points ahead of average.

The textile exports from the country increased by 2.95% during the first quarter of the current fiscal year compared to the corresponding period of the last fiscal year. The textile exports during July-September (2019-20) were recorded at \$3371.974 million against the exports of \$3275.303 million during July-September (2018-19), a growth of 9.95%. EU and Pakistan has joined hands to improve the textile exports in Pakistan. Buyers in Pakistan are active in buying quality cotton which has risen the prices to Rs.9500/maund, a rise of Rs.200 of premium quality cotton.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Nov	-60	19170	19190	19070	19200	275	-205	1632	-531
19-Dec	-100	19070	19100	18950	19120	457	90	1513	230
19-Jan	-120	20700	20730	20520	20680	808	0	1540	0

Spread	19-Oct	19-Nov	19-Dec	19-Jan	--	--
Spot	-				-	-
19-Oct	-	90	-	-	-	-
19-Nov	-	-	-1630	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 14th Nov @ 5.30 pm

* Updated at as on 14-Nov- 2019 @ 5:00 PM

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Nov-19	13-Nov-19	
Gujarat	Ahmedabad	Shankar-6	4950	5000	-50
	Gondal	Shankar-6	5055	5005	50
	Rajkot	B.T. Cotton	5060	NR	-
	Patan	B.T. Cotton	5275	5330	-55
	Kadi	B.T. Cotton	5250	5500	-250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4895	4830	65
Haryana	Bhiwani	B.T. Cotton	5325	5325	Unch
	Bhiwani	Desi	6200	6200	Unch
	Adampur	B.T. Cotton	5200	5180	20
	Fatehabad	B.T. Cotton	5210	5210	Unch
	Jind	B.T. Cotton	5490	5490	Unch
	Uchana	B.T. Cotton	5300	5235	65
	Dabwali	B.T. Cotton	5160	5120	40
Rajasthan	Hanumangarh	B.T. Cotton	5350	5275	75
	Rawatsar	B.T. Cotton	5150	5120	30
Madhya Pradesh	Khandwa	Mech-1	5200	5650	-450
	Khargaon	Mech-1	5530	5510	20
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	NR	-
	Hathras	Desi	5300	NR	-
Telangana	Adilabad	Un-Ginned	0	NA	-
Karnataka	Bijapur	Bunny	NA	5199	-
	Hubli	D.C.H.	5550	5500	50
	Hubli	B.T. Cotton	6800	6650	150
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	14-Nov-19	13-Nov-19	
Punjab	Bhatinda	J-34	3880	3870	10
	Abohar	J-34	3880	3870	10
	Mansa	J-34	3850	3850	Unch
Haryana	Sirsa	J-34	3880	3850	30
Rajasthan	Sri-Ganganagar	J-34	3619	3619	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Nov-19	13-Nov-19	
Gujarat	Ahmedabad	Shankar-6	59500	51000	8500
	Gondal	Shankar-6	4924	4965	-41
	Rajkot	B.T. Cotton	4400	NR	-
	Patan	B.T. Cotton	19183	21457	-2274
	Kadi	B.T. Cotton	20000	30000	-10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	249	372	-123
Haryana	Bhiwani	B.T. Cotton	6000	8000	-2000
	Bhiwani	Desi	50	60	-10
	Adampur	B.T. Cotton	1870	1700	170
	Fatehabad	B.T. Cotton	800	600	200
	Jind	B.T. Cotton	651	721	-70
	Uchana	B.T. Cotton	2785	2605	180
	Dabwali	B.T. Cotton	1150	1350	-200
Rajasthan	Hanumangarh	B.T. Cotton	2200	2500	-300
	Rawatsar	B.T. Cotton	4000	8000	-4000
Madhya Pradesh	Khandwa	Mech-1	300	500	-200
	Khargaon	Mech-1	5500	5875	-375
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	30	NR	-
	Hathras	Desi	10	NR	-
Telangana	Adilabad	Un-Ginned	0	NA	-
Karnataka	Bijapur	Bunny	NA	5071	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	14-Nov-19	13-Nov-19	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	1360	1700	-340
	Mansa	J-34	680	680	Unch
Haryana	Sirsa	J-34	1700	1700	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil	Price	Change
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State	Centre	Unit	14-Nov-19	13-Nov-19	
Gujarat	Rajkot	Rs. /10 Kg.	780	800	-20
Delhi	New Delhi	Rs. /10 Kg.	758	765	-7
Telangana	Hyderabad	Rs. /10 Kg.	780	790	-10
Maharashtra	Mumbai	Rs. /10 Kg.	815	815	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	14-Nov-19	13-Nov-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2266	2245	21
Maharashtra	Akola	Rs./Qtl	2336	2390	-54

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				13-Nov-19	12-Nov-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38400	38400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38800	38800	Unch
J-34(202)	26mm	3.5 - 4.9	23	36500	36400	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39400	39300	100
Shankar-6(105)	29mm	3.5 - 4.9	28	39100	39000	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40400	40300	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40300	40200	100
DCH-32(107)	34mm	3.0 - 3.8	33	41000	40900	100

INTERNATIONAL PRICES AND INDICES**China Cotton Index:**

Index	Unit	14-Nov-19	13-Nov-19	Change
CCIndex(328)	RMB/Ton	13077	13056	21
CCIndex(527)	RMB/Ton	12031	12012	19
CCIndex(229)	RMB/Ton	13395	13375	20

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

Index	Unit	14-Nov-19	13-Nov-19	Change
FC Index (S)	Cents/lb	79.96	80.46	-0.50
FC Index (M)	Cents/lb	75.75	76.25	-0.50
FC Index (L)	Cents/lb	74.99	75.49	-0.50

Cotlook Index:

Cotlook Indices	Unit	13-Nov-19	12-Nov-19	Change
A-Index	Cents/Pound	75.4	75	0.40

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		13-Nov-19	13-Nov-19	Bales
Southeast	cents/lb.	63.97	66.22	1426
North Delta	cents/lb.	63.22	65.47	464
South Delta	cents/lb.	63.22	65.47	0
East TX-OK	cents/lb.	60.72	63.22	4141
West Texas	cents/lb.	60.22	63.22	6054
Desert SW	cents/lb.	57.97	61.97	375
SJ Valley	cents/lb.	58.47	67.37	0

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 13-Nov-2019

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	9100	160	9260
Equivalent	40 Kgs	9752	171	9923

Daily Futures Price Listing Fri November 13, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Dec	191113	64.8	64.85	64.13	64.22	-0.52	33,881	62,522	-11,890
20-Mar	191113	66.24	66.57	65.95	66.05	-0.45	35,451	113,902	10,098
20-May	191113	67.72	67.72	67.16	67.24	-0.44	6,206	23,780	2,151
20-Jul	191113	68.22	68.6	68.17	68.37	-0.29	2,216	14,390	16
20-Oct	191113	68.72	68.72	68.72	68.72	-0.29	0	4	0
20-Dec	191113	68.26	68.6	68.26	68.47	-0.23	938	23,443	318
Total Volume and Open Interest							78,744	239,761	693

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