

**Domestic Fundamentals:****Market Outlook:**

*The Rajkot mandi price for variety Shankar 6 stood Rs.38,550/per candy (68.5 cents/lb). Cotton prices across India reported to show mixed trend today compared to the previous day due to the existence of higher moisture content in the cotton. Whereas the Punjab and Haryana gained support after CCI involvement in procuring cotton.*

**News:** *Gujarat cotton Shankar 6 variety prices has decline to Rs.38000 to 39000/ candy since last week on quality concerns after the heavy rains. Whereas before October month the prices remained firm around Rs.40000 to 43000/ candy. Most of the cotton growing centres, not just in Gujarat but across India, received rains in October, which adversely affected the quality of cotton. Similarly, the raw cotton (kapas) prices in Adilabad is prevailing around Rs.5000/q as per the moisture content.*

**CCI has so far begun procurement in Punjab, Rajasthan, Haryana and Gujarat, and now in Maharashtra, Telangana and Karnataka at MSP.** *Farmers are to get Rs. 5,450-Rs. 5,500 per quintal while market prices are much lower at Rs. 5,100 per quintal for better quality cotton. The procurement centres in MH would be open in phases since the moisture content is currently high. Corporation had procured around 40,000 bales so far compared to 2000 bales in same period last year and the total arrival in the market until date has been close to 25 lakh bales.*

**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 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 (6<sup>th</sup> 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.

### **Weather Forecast for tomorrow:**

During the next 24 hours, light to moderate rain and thundershower with isolated heavy spells will occur in parts of Coastal Andhra Pradesh, Rayalaseema, Tamil Nadu, Kerala and South Interior Karnataka. Light rain is likely in one or two parts of Jammu and Kashmir, Ladakh and Himachal Pradesh. Light rain is likely in one or two parts of Arunachal Pradesh, Nagaland and Upper Assam.

### **International Fundamentals:**

**Nearby cotton futures finish higher on Friday with gains of 54 to 61 points, DEC 19 Cotton closed at 64.88, up 61 points.** The 11/14 Cotlook A Index fell by 90 points to 74.90 cents/lb. Good through 11/21, yesterday's updated AWP for cotton is 57.06 cents/lb, which was back up 46 points.

**The US Export Sales report from USDA showed 345,100 RB of 2019-20 upland cotton sold in the week ending 7<sup>th</sup> Nov'19 were up by 52% compared to previous week.** With major buyers including Pakistan (60,500 RB), China (83,300 RB), Turkey (46,000 RB), followed by Vietnam (29,400 RB). For 2019-20, net upland shipments exports of 3,200 RB were down 42% from previous week and were primarily to India (1000RB), Thailand (1000 RB), Indonesia (16,700 RB) and Japan (400 RB).

**Exports of raw cotton from Pakistan during first quarter of current financial year increased by 53.65%** as compared the exports of the corresponding period of last year. According the data of Pakistan Bureau of Statistics, during the period from July'19-September'19, about 6,980 metric tons of raw cotton worth 10.828 million dollar exported as compared the exports of 4,619 metric tons valuing 7.043 million dollar of same period of last year. However, the exports of cotton yarn and cotton cloth decreased by 6.19% and 5.60% respectively and was recorded at 294.280 million dollar.

**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's 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 USDA's weekly crop progress report showed cotton harvest crest above 53% complete in the week ending 3<sup>rd</sup> 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	-110	19300	19350	19180	19290	263	-217	1374	-789
19-Dec	-110	19240	19320	19100	19240	439	72	1596	313
20-Jan	30	19290	19380	19280	19250	11	-797	242	-1298

  

Spread	19-Oct	19-Nov	19-Dec	20-Jan	--	--
Spot	-				-	-
19-Oct	-	300	-	-	-	-
19-Nov	-	-	-60	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 18th Nov @ 5.30 pm

\* Updated at as on 18-Nov- 2019 @ 5:00 PM

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Nov-19	16-Nov-19	
Gujarat	Ahmedabad	Shankar-6	5000	5000	Unch
	Gondal	Shankar-6	5080	5155	-75
	Rajkot	B.T. Cotton	5015	5000	15
	Patan	B.T. Cotton	5255	5305	-50
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5020	-
Haryana	Bhiwani	B.T. Cotton	5250	5350	-100
	Bhiwani	Desi	6050	6200	-150
	Adampur	B.T. Cotton	5150	5200	-50
	Fatehabad	B.T. Cotton	5150	5225	-75
	Jind	B.T. Cotton	5470	5470	Unch
	Uchana	B.T. Cotton	5325	5350	-25
	Dabwali	B.T. Cotton	5095	5155	-60
Rajasthan	Hanumangarh	B.T. Cotton	5100	Closed	-
	Rawatsar	B.T. Cotton	5040	5150	-110
Madhya Pradesh	Khandwa	Mech-1	5560	Closed	-
	Khargaon	Mech-1	5550	5510	40
Maharashtra	Amravati	Mech-1	4800	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	5800	Unch
	Hathras	Desi	5200	5200	Unch
Telangana	Adilabad	Un-Ginned	NA	5000	-
Karnataka	Bijapur	Bunny	5340	5269	71
	Hubli	D.C.H.	5550	5550	Unch
	Hubli	B.T. Cotton	7000	6900	100
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	18-Nov-19	16-Nov-19	
Punjab	Bhatinda	J-34	3900	3900	Unch
	Abohar	J-34	3910	3910	Unch
	Mansa	J-34	3875	3880	-5
Haryana	Sirsa	J-34	3875	3870	5
Rajasthan	Sri-Ganganagar	J-34	3666	3638	28

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Nov-19	16-Nov-19	
Gujarat	Ahmedabad	Shankar-6	64600	62900	1700
	Gondal	Shankar-6	7024	4262	2762
	Rajkot	B.T. Cotton	6100	5850	250
	Patan	B.T. Cotton	24378	22769	1609
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	305	-
Haryana	Bhiwani	B.T. Cotton	4000	8000	-4000
	Bhiwani	Desi	40	30	10
	Adampur	B.T. Cotton	1530	2040	-510
	Fatehabad	B.T. Cotton	800	800	Unch
	Jind	B.T. Cotton	700	651	49
	Uchana	B.T. Cotton	2490	2500	-10
	Dabwali	B.T. Cotton	2500	950	1550
Rajasthan	Hanumangarh	B.T. Cotton	3000	Closed	-
	Rawatsar	B.T. Cotton	4000	1000	3000
Madhya Pradesh	Khandwa	Mech-1	710	Closed	-
	Khargaon	Mech-1	3975	3955	20
Maharashtra	Amravati	Mech-1	5000	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	50	50	Unch
	Hathras	Desi	30	30	Unch
Telangana	Adilabad	Un-Ginned	NA	20350	-
Karnataka	Bijapur	Bunny	6223	4550	1673
	Hubli	D.C.H.	12	8	4
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Nov-19	16-Nov-19	
Punjab	Bhatinda	J-34	8500	6800	1700
	Abohar	J-34	3060	340	2720
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	1190	340	850
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	18-Nov-19	16-Nov-19	
Gujarat	Rajkot	Rs. /10 Kg.	790	785	5
Delhi	New Delhi	Rs. /10 Kg.	755	755	Unch
Telangana	Hyderabad	Rs. /10 Kg.	770	770	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	797	805	-8

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	18-Nov-19	16-Nov-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2091	2246	-155
Maharashtra	Akola	Rs./Qtl	2300	2333	-33

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				16-Nov-19	15-Nov-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38000	38000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38500	38500	Unch
J-34(202)	26mm	3.5 - 4.9	23	36700	36600	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39400	39400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	39200	39200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40400	40400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40300	40300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	41000	41000	Unch

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

Index	Unit	18-Nov-19	15-Nov-19	Change
CCIndex(328)	RMB/Ton	13100	13077	23
CCIndex(527)	RMB/Ton	12073	12042	31
CCIndex(229)	RMB/Ton	13426	13397	29

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

**China Foreign Cotton (FCE) Index :**

Index	Unit	18-Nov-19	15-Nov-19	Change
FC Index (S)	Cents/lb	80.46	79.96	0.50
FC Index (M)	Cents/lb	76.25	75.75	0.50
FC Index (L)	Cents/lb	75.49	74.99	0.50



**Cotlook Index:**

Cotlook Indices	Unit	16-Nov-19	15-Nov-19	Change
A-Index	Cents/Pound	#N/A	74.9	-

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		15-Nov-19	15-Nov-19	Bales
Southeast	cents/lb.	64.69	66.94	658
North Delta	cents/lb.	63.69	65.94	0
South Delta	cents/lb.	63.69	65.94	0
East TX-OK	cents/lb.	61.19	63.69	3791
West Texas	cents/lb.	60.94	63.94	4244
Desert SW	cents/lb.	58.69	62.69	303
SJ Valley	cents/lb.	59.19	68.09	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 16-Nov-2019**

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	9000	160	9160
Equivalent	40 Kgs	9645	171	9816

**Daily Futures Price Listing Fri November 15, 2019**

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">19-Dec</a>	191115	64.26	65	64.24	64.86	0.59	18,788	37,594	-10,373
<a href="#">20-Mar</a>	191115	66.08	66.88	66	66.69	0.61	25,701	125,890	6,715
<a href="#">20-May</a>	191115	67.38	68.05	67.18	67.87	0.6	5,585	27,124	1,427
<a href="#">20-Jul</a>	191115	68.4	69.06	68.2	68.84	0.55	1,683	15,943	840
<a href="#">20-Oct</a>	191115	69.16	69.16	69.16	69.16	0.5	0	4	0
<a href="#">20-Dec</a>	191115	68.52	69.05	68.43	68.81	0.4	419	23,490	8
Total Volume and Open Interest							52,386	231,766	-1,387

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