

Domestic Fundamentals:**Market Outlook:**

The Rajkot mandi price for variety Shankar 6 stood Rs.38,450/per candy (68.30 cents/lb). Cotton prices across India reported to show mixed trend prices ranging between Rs.5000 to 5550 across India today compared to the previous day due to the existence of higher moisture content in the 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 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.

Weather Forecast for tomorrow:

During the next 24 hours, scattered light to moderate rain and thundershower are possible over South Coastal Andhra Pradesh, Tamil Nadu, Kerala, and South Interior Karnataka. Isolated light rain and snow can be seen over Arunachal Pradesh. Light rain is a possibility over Assam and Jammu and Kashmir. Minimums may fall further over the northwest and central India and over few pockets of East India. Delhi pollution is likely to increase further.

International Fundamentals:

Cotton futures followed Monday's decreases with more of the same on Tuesday, DEC 19 Cotton closed at 63.39, down 82 points. The Cotlook A Index was boosted on 11/18 to 75.50 cents/lb, up 60 points. The AWP for cotton will be 57.06 cents/lb through Thursday.

The USDA's weekly crop progress report showed cotton harvest crest above 68% complete in the week ending 17th November against 58% in same period last year. The 7 day forecast from the national weather service is indicating another wet week, the map indicates that most of the cotton region will get precipitation. The average pace of harvesting is 66%, with Texas was 56% complete, Georgia has harvested 79% of their crop 6 percentage points ahead of average.

Data released by Pakistan Cotton Ginners' Association (PCGA), Pakistan cotton production up to November 15 at 6.85 million bales, down by around 21% over 8.67 million bales in same period last year. Affected by climate change, the cotton production continues to give a gloomy picture as effects of high temperature, heavy rains and gusty winds reduced crop by around 1.814 million bales. A steep fall in cotton production in Punjab was the major factor which reduced overall output in the country. Punjab produced 3.69 mln bales as against 4.98 mln in corresponding period last year, showing a decline of around 26%. Sindh also suffered immensely, crop was lower by 14.14% at 3.16 mln bales, compared to 3.68 mln produced in same period of previous season.

The US Export Sales report from USDA showed 345,100 RB of 2019-20 upland cotton sold in the week ending 7th 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' 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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Nov	100	19100	19200	19060	19060	320	-160	1180	-983
19-Dec	110	19150	19280	19100	19130	400	33	1763	480
20-Jan	100	19270	19350	19270	19220	8	-800	278	-1262

Spread	19-Oct	19-Nov	19-Dec	20-Jan	--	--
Spot	-				-	-
19-Oct	-	-80	-	-	-	-
19-Nov	-	-	-70	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 20th Nov @ 5.30 pm

* Updated at as on 20-Nov- 2019 @ 5:00 PM

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	20-Nov-19	19-Nov-19	
Gujarat	Ahmedabad	Shankar-6	5050	5000	50
	Gondal	Shankar-6	5030	5030	Unch
	Rajkot	B.T. Cotton	5020	4985	35
	Patan	B.T. Cotton	5180	5155	25
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5115	5065	50
Haryana	Bhiwani	B.T. Cotton	5325	5250	75
	Bhiwani	Desi	6200	6200	Unch
	Adampur	B.T. Cotton	5100	5150	-50
	Fatehabad	B.T. Cotton	5150	5150	Unch
	Jind	B.T. Cotton	5470	5450	20
	Uchana	B.T. Cotton	5240	5240	Unch
	Dabwali	B.T. Cotton	5115	5090	25
Rajasthan	Hanumangarh	B.T. Cotton	5100	5150	-50
	Rawatsar	B.T. Cotton	5025	5050	-25
Madhya Pradesh	Khandwa	Mech-1	5555	5300	255
	Khargaon	Mech-1	5510	5500	10
Maharashtra	Amravati	Mech-1	4700	4800	-100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5700	5700	Unch
	Hathras	Desi	5100	5100	Unch
Telangana	Adilabad	Un-Ginned	NA	5030	-
Karnataka	Bijapur	Bunny	NA	5351	-
	Hubli	D.C.H.	NA	5550	-
	Hubli	B.T. Cotton	NA	6950	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Nov-19	19-Nov-19	
Punjab	Bhatinda	J-34	3870	3870	Unch
	Abohar	J-34	3890	3880	10
	Mansa	J-34	3860	3860	Unch
Haryana	Sirsa	J-34	3850	3840	10
Rajasthan	Sri-Ganganagar	J-34	3647	3647	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Nov-19	19-Nov-19	
Gujarat	Ahmedabad	Shankar-6	62900	64600	-1700
	Gondal	Shankar-6	4710	5912	-1202
	Rajkot	B.T. Cotton	7100	7050	50
	Patan	B.T. Cotton	17247	25195	-7948
	Kadi	B.T. Cotton	35000	30000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	323	322	1
Haryana	Bhiwani	B.T. Cotton	3000	3000	Unch
	Bhiwani	Desi	70	30	40
	Adampur	B.T. Cotton	1700	1360	340
	Fatehabad	B.T. Cotton	700	600	100
	Jind	B.T. Cotton	780	551	230
	Uchana	B.T. Cotton	2645	2775	-130
	Dabwali	B.T. Cotton	1750	1425	325
Rajasthan	Hanumangarh	B.T. Cotton	2500	3565	-1065
	Rawatsar	B.T. Cotton	4000	4000	Unch
Madhya Pradesh	Khandwa	Mech-1	630	400	230
	Khargaon	Mech-1	3980	3975	5
Maharashtra	Amravati	Mech-1	6000	4500	1500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	60	60	Unch
	Hathras	Desi	20	20	Unch
Telangana	Adilabad	Un-Ginned	NA	16840	-
Karnataka	Bijapur	Bunny	NA	5422	-
	Hubli	D.C.H.	NA	22	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Nov-19	19-Nov-19	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	1360	1700	-340
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	1190	1190	Unch
Rajasthan	Sri-Ganganagar	J-34	3000	3000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil	Price	Change
-----------	-----------------	-------	--------

State	Centre	Unit	20-Nov-19	19-Nov-19	
Gujarat	Rajkot	Rs. /10 Kg.	780	770	10
Delhi	New Delhi	Rs. /10 Kg.	755	750	5
Telangana	Hyderabad	Rs. /10 Kg.	790	770	20
Maharashtra	Mumbai	Rs. /10 Kg.	795	795	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	20-Nov-19	19-Nov-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2117	2089	28
Maharashtra	Akola	Rs./Qtl	2300	2300	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				19-Nov-19	18-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	39500	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	39100	39100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40400	40500	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40200	40300	-100
DCH-32(107)	34mm	3.0 - 3.8	33	41000	41100	-100

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

Index	Unit	20-Nov-19	19-Nov-19	Change
CCIndex(328)	RMB/Ton	NR	13100	-
CCIndex(527)	RMB/Ton	NR	12076	-
CCIndex(229)	RMB/Ton	NR	13427	-

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

China Foreign Cotton (FCE) Index :

Index	Unit	20-Nov-19	19-Nov-19	Change
FC Index (S)	Cents/lb	79.12	79.87	-0.75
FC Index (M)	Cents/lb	75	75.75	-0.75
FC Index (L)	Cents/lb	74.24	74.99	-0.75

Cotlook Index:

Cotlook Indices	Unit	19-Nov-19	18-Nov-19	Change
A-Index	Cents/Pound	75	75.5	-0.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		19-Nov-19	19-Nov-19	Bales
Southeast	cents/lb.	63.35	65.6	0
North Delta	cents/lb.	62.35	64.6	0
South Delta	cents/lb.	62.35	64.6	0
East TX-OK	cents/lb.	59.85	62.1	1773
West Texas	cents/lb.	59.6	62.6	5065
Desert SW	cents/lb.	57.35	61.35	0
SJ Valley	cents/lb.	57.85	66.75	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 19-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 19, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Dec	191119	63.85	64.24	63.3	63.44	-0.77	11,335	28,045	-5,506
20-Mar	191119	65.58	66.06	65.17	65.35	-0.62	21,825	127,956	394
20-May	191119	66.86	67.3	66.45	66.62	-0.62	4,681	29,162	1,209
20-Jul	191119	67.98	68.31	67.51	67.67	-0.65	923	16,390	92
20-Oct	191119	67.87	67.87	67.87	67.87	-0.74	0	4	0
20-Dec	191119	68.14	68.26	67.65	67.95	-0.31	568	24,052	21
Total Volume and Open Interest							39,529	227,399	-3,725

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2019 Indian Agribusiness Systems Pvt. Ltd.