

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.5100 to 5500 across India today compared to the previous day and prices started moving towards MSP.

News: Cotton prices gets support in Adilabad district as the farmers are bringing dried cotton to the procurements centers as recommended by CCI. Their produce attracting the minimum support price (MSP) of Rs 5,500 per quintal. The trend of bringing dried up produce to the yards is catching up rapidly. Also CCI is preparing the procurement centers in Guntur to start soon as without CCI procurement in the area, the private traders are buying cotton at around Rs.4000/q.

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, Coastal Tamil Nadu. Scattered light rain is possible over Interior Tamil Nadu, Rayalaseema, Kerala, Coastal Karnataka and parts of South Konkan and Goa. Light to moderate rain or snow with one or two heavy spells is possible over Ladakh, Jammu and Kashmir and Himachal Pradesh with isolated spells over Uttarakhand.

International Fundamentals:

Cotton futures fell sharply since being higher by 32 to 43 points, DEC 19 Cotton closed at 62.23, down 121 points. The 11/19 Cotlook A Index was down 50 points to 75.00 cents/lb. The AWP for cotton will be updated tomorrow afternoon, the current AWP is 57.06 cents/lb.

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	-80	19080	19120	19040	19150	322	-158	1132	-1031
19-Dec	-60	19140	19190	19100	19210	355	-12	1824	541
20-Jan	-50	19250	19270	19250	19310	111	-697	384	-1156

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

(NB: Spread Basis = Spot- Near Month Future) As updated on 21st Nov @ 5.30 pm

* Updated at as on 21-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	14-Nov-19	
Gujarat	Ahmedabad	Shankar-6	5050	4950	100
	Gondal	Shankar-6	5030	5055	-25
	Rajkot	B.T. Cotton	5020	5060	-40
	Patan	B.T. Cotton	5180	5275	-95
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	0	-
	Dhrol	B.T. Cotton	5115	4895	220
Haryana	Bhiwani	B.T. Cotton	5325	5325	Unch
	Bhiwani	Desi	6200	6200	Unch
	Adampur	B.T. Cotton	5100	5200	-100
	Fatehabad	B.T. Cotton	5150	5210	-60
	Jind	B.T. Cotton	5470	5490	-20
	Uchana	B.T. Cotton	5240	5300	-60
	Dabwali	B.T. Cotton	5115	5160	-45
Rajasthan	Hanumangarh	B.T. Cotton	5100	5350	-250
	Rawatsar	B.T. Cotton	5025	5150	-125
Madhya Pradesh	Khandwa	Mech-1	5555	5200	355
	Khargaon	Mech-1	5510	5530	-20
Maharashtra	Amravati	Mech-1	4700	0	4700
	Jamner	Medium Staple	NA	0	-
Uttar Pradesh	Hathras	B.T. Cotton	5700	5800	-100
	Hathras	Desi	5100	5300	-200
Telangana	Adilabad	Un-Ginned	5030	4950	80
Karnataka	Bijapur	Bunny	5469	5219	250
	Hubli	D.C.H.	NA	5550	-
	Hubli	B.T. Cotton	NA	6800	-
	Raichur	H-44 Cotton	NA	0	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Nov-19	14-Nov-19	
Punjab	Bhatinda	J-34	3870	3880	-10
	Abohar	J-34	3890	3880	10
	Mansa	J-34	3860	3850	10
Haryana	Sirsa	J-34	3850	3880	-30
Rajasthan	Sri-Ganganagar	J-34	3647	3619	28

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Nov-19	14-Nov-19	
Gujarat	Ahmedabad	Shankar-6	62900	59500	3400
	Gondal	Shankar-6	4710	4924	-214
	Rajkot	B.T. Cotton	7100	4400	2700
	Patan	B.T. Cotton	17247	19183	-1936
	Kadi	B.T. Cotton	35000	20000	15000
	Deesa	B.T. Cotton	NA	0	-
	Dhrol	B.T. Cotton	323	249	74
Haryana	Bhiwani	B.T. Cotton	3000	6000	-3000
	Bhiwani	Desi	70	50	20
	Adampur	B.T. Cotton	1700	1870	-170
	Fatehabad	B.T. Cotton	700	800	-100
	Jind	B.T. Cotton	780	651	129
	Uchana	B.T. Cotton	2645	2785	-140
	Dabwali	B.T. Cotton	1750	1150	600
Rajasthan	Hanumangarh	B.T. Cotton	2500	2200	300
	Rawatsar	B.T. Cotton	4000	4000	Unch
Madhya Pradesh	Khandwa	Mech-1	630	300	330
	Khargaon	Mech-1	3980	5500	-1520
Maharashtra	Amravati	Mech-1	6000	0	6000
	Jamner	Medium Staple	NA	0	-
Uttar Pradesh	Hathras	B.T. Cotton	60	30	30
	Hathras	Desi	20	10	10
Telangana	Adilabad	Un-Ginned	71210	22420	48790
Karnataka	Bijapur	Bunny	6626	5196	1430
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	0	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Nov-19	14-Nov-19	
Punjab	Bhatinda	J-34	8500	6800	1700
	Abohar	J-34	1360	1360	Unch
	Mansa	J-34	850	680	170
Haryana	Sirsa	J-34	1190	1700	-510
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	20-Nov-19	14-Nov-19	
Gujarat	Rajkot	Rs. /10 Kg.	780	780	Unch
Delhi	New Delhi	Rs. /10 Kg.	755	758	-3
Telangana	Hyderabad	Rs. /10 Kg.	790	780	10
Maharashtra	Mumbai	Rs. /10 Kg.	795	815	-20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	20-Nov-19	14-Nov-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2117	2266	-149
Maharashtra	Akola	Rs./Qtl	2300	2336	-36

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				20-Nov-19	19-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	36700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39400	39400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	39100	39100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40400	40400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40200	40200	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	41000	41000	Unch

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

Index	Unit	20-Nov-19	14-Nov-19	Change
CCIndex(328)	RMB/Ton	13055	13077	-22
CCIndex(527)	RMB/Ton	12048	12031	17
CCIndex(229)	RMB/Ton	13411	13395	16

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

China Foreign Cotton (FCE) Index :

Index	Unit	20-Nov-19	14-Nov-19	Change
FC Index (S)	Cents/lb	79.12	79.96	-0.84
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	20-Nov-19	19-Nov-19	Change
A-Index	Cents/Pound	#N/A	75	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		20-Nov-19	20-Nov-19	Bales
Southeast	cents/lb.	62.28	64.53	0
North Delta	cents/lb.	61.28	63.53	0
South Delta	cents/lb.	61.28	63.53	0
East TX-OK	cents/lb.	58.78	61.03	2177
West Texas	cents/lb.	58.53	61.28	2086
Desert SW	cents/lb.	56.28	60.28	0
SJ Valley	cents/lb.	56.78	65.68	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 20-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 20, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Dec	191120	63.35	63.8	62.15	62.24	-1.2	8,768	23,380	-4,665
20-Mar	191120	65.35	65.82	64.18	64.28	-1.07	24,217	130,028	2,072
20-May	191120	66.54	67.06	65.38	65.48	-1.14	4,157	30,770	1,608
20-Jul	191120	67.66	68.11	66.41	66.53	-1.14	1,005	16,669	279
20-Oct	191120	66.83	66.83	66.83	66.83	-1.04	0	4	0
20-Dec	191120	68	68.29	66.75	66.99	-0.96	315	24,126	74
Total Volume and Open Interest							38,514	226,762	-637

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