

Domestic Fundamentals:**Market Outlook:**

The Rajkot mandi price for variety Shankar 6 stood Rs.38,350/per candy (68.17 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 and prices started moving towards MSP. Whereas, the International prices got weaker due to lack of any progress on US-China trade front also with weaker export sales report by USDA.

News: According to the trade sources, Total arrivals stood around 29.28 lakh bales so far till 21st Nov'19. And a total of 8.48 lakh bales have arrived in this week ending on 21st Nov'19 higher against 6.15 lakh bales last week. Of this, 4.49 lakh bales were from Central India, followed by 2.13 lakh bales from South India in this week. The arrivals from North India (in Haryana, Punjab & Rajasthan) have started so the arrivals increased to around 1.85 lakh bales this week.

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.

Weather Forecast for tomorrow:

During the next 24 hours, light to moderate rain and thundershowers are expected at many places in Jammu and Kashmir, Ladakh, Himachal Pradesh and northern parts of Uttarakhand. There is a good possibility of snowfall as well in these places. Northwest India is likely to experience partly cloudy to cloudy sky with shallow to moderate fog during early morning hours. The latter part of the day will be bright, sunny and comfortable. Delhi is most likely to experience very poor pollution levels. Due to the presence of a trough, Tamil Nadu, Kerala and extreme southern parts of Karnataka south Andhra Pradesh will receive light to mod rain and thundershower.

International Fundamentals:

Cotton finished the day with losses of 34 to 45 points, DEC 19 Cotton closed at 61.79, down 45 points. The 11/20 Cotlook A Index was down another 60 points to 74.40 cents/lb. The weekly update to the AWP for cotton is back down to 56.36 cents per lb. The update lowered it by 70 points wk/wk, the previous adjustment was an increase of 1.03 cents per lb.

The US Export Sales report from USDA showed 227,600 RB of 2019-20 upland cotton sold in the week ending 14th Nov'19 were down by 34% compared to previous week. With major buyers including Vietnam (95,600RB), Pakistan (40,100 RB), Bangladesh (31,200RB), Turkey (28,200 RB), followed by Japan (14,300 RB) and reductions were from China (24,200RB). For 2019-20, net upland shipments exports of 1,37,900 RB were up 9% from previous week and were primarily to Pakistan (28,800RB), Vietnam (27,300RB) and China (22,000RB).

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.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Nov	-40	19040	19100	18970	19020	478	-2	828	-1335
19-Dec	10	19110	19240	19100	19110	457	90	2048	765
20-Jan	20	19220	19280	19200	19220	47	-761	409	-1131

Spread	19-Oct	19-Nov	19-Dec	20-Jan	--	--
Spot	-				-	-
19-Oct	-	-140	-	-	-	-
19-Nov	-	-	-40	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 22nd Nov @ 5.30 pm

* Updated at as on 22-Nov- 2019 @ 5:00 PM

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	22-Nov-19	21-Nov-19	
Gujarat	Ahmedabad	Shankar-6	5100	5000	100
	Gondal	Shankar-6	5080	5055	25
	Rajkot	B.T. Cotton	5040	5040	Unch
	Patan	B.T. Cotton	5155	5175	-20
	Kadi	B.T. Cotton	5250	5300	-50
	Deesa	B.T. Cotton	4655	NA	-
	Dhrol	B.T. Cotton	4970	4965	5
Haryana	Bhiwani	B.T. Cotton	5260	5325	-65
	Bhiwani	Desi	6200	6250	-50
	Adampur	B.T. Cotton	5100	5125	-25
	Fatehabad	B.T. Cotton	5060	5150	-90
	Jind	B.T. Cotton	5410	5420	-10
	Uchana	B.T. Cotton	5275	5260	15
	Dabwali	B.T. Cotton	5065	5105	-40
Rajasthan	Hanumangarh	B.T. Cotton	5150	5100	50
	Rawatsar	B.T. Cotton	5010	5130	-120
Madhya Pradesh	Khandwa	Mech-1	5500	5550	-50
	Khargaon	Mech-1	5550	5555	-5
Maharashtra	Amravati	Mech-1	4850	4850	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5500	5600	-100
	Hathras	Desi	5100	5200	-100
Telangana	Adilabad	Un-Ginned	NA	5030	-
Karnataka	Bijapur	Bunny	NA	5351	-
	Hubli	D.C.H.	5550	NA	-
	Hubli	B.T. Cotton	6750	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Nov-19	21-Nov-19	
Punjab	Bhatinda	J-34	3890	3870	20
	Abohar	J-34	3900	3990	-90
	Mansa	J-34	3870	3865	5
Haryana	Sirsa	J-34	3860	3870	-10
Rajasthan	Sri-Ganganagar	J-34	3647	3647	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Nov-19	21-Nov-19	
Gujarat	Ahmedabad	Shankar-6	59500	64600	-5100
	Gondal	Shankar-6	5169	4877	292
	Rajkot	B.T. Cotton	7000	5800	1200
	Patan	B.T. Cotton	18750	19490	-740
	Kadi	B.T. Cotton	60000	30000	30000
	Deesa	B.T. Cotton	3400	NA	-
	Dhrol	B.T. Cotton	333	390	-57
Haryana	Bhiwani	B.T. Cotton	4000	3500	500
	Bhiwani	Desi	30	60	-30
	Adampur	B.T. Cotton	1190	2210	-1020
	Fatehabad	B.T. Cotton	800	800	Unch
	Jind	B.T. Cotton	670	1445	-775
	Uchana	B.T. Cotton	2145	2655	-510
	Dabwali	B.T. Cotton	1000	1300	-300
Rajasthan	Hanumangarh	B.T. Cotton	2000	2000	Unch
	Rawatsar	B.T. Cotton	4000	4000	Unch
Madhya Pradesh	Khandwa	Mech-1	750	755	-5
	Khargaon	Mech-1	4000	4025	-25
Maharashtra	Amravati	Mech-1	7000	8000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	250	90	160
	Hathras	Desi	60	30	30
Telangana	Adilabad	Un-Ginned	NA	22290	-
Karnataka	Bijapur	Bunny	NA	5852	-
	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	22-Nov-19	21-Nov-19	
Punjab	Bhatinda	J-34	8500	8500	Unch
	Abohar	J-34	1700	1190	510
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	1020	1190	-170
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	22-Nov-19	21-Nov-19	
Gujarat	Rajkot	Rs. /10 Kg.	770	770	Unch
Delhi	New Delhi	Rs. /10 Kg.	755	760	-5
Telangana	Hyderabad	Rs. /10 Kg.	790	795	-5
Maharashtra	Mumbai	Rs. /10 Kg.	785	785	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	22-Nov-19	21-Nov-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2082	2106	-24
Maharashtra	Akola	Rs./Qtl	2235	2290	-55

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				21-Nov-19	20-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	36800	36700	100
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	22-Nov-19	21-Nov-19	Change
CCIndex(328)	RMB/Ton	13050	13087	-37
CCIndex(527)	RMB/Ton	12045	12069	-24
CCIndex(229)	RMB/Ton	13405	13419	-14
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	22-Nov-19	21-Nov-19	Change
FC Index (S)	Cents/lb	78	78.12	-0.12
FC Index (M)	Cents/lb	73.94	74	-0.06
FC Index (L)	Cents/lb	72.98	73.24	-0.26

Cotlook Index:

Cotlook Indices	Unit	21-Nov-19	20-Nov-19	Change
A-Index	Cents/Pound	#N/A	74.4	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		21-Nov-19	21-Nov-19	Bales
Southeast	cents/lb.	62.01	64.26	526
North Delta	cents/lb.	61.01	63.26	0
South Delta	cents/lb.	61.01	63.26	1504
East TX-OK	cents/lb.	58.51	60.76	3639
West Texas	cents/lb.	58.26	61.01	2224
Desert SW	cents/lb.	56.26	60.26	275
SJ Valley	cents/lb.	56.76	65.66	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 21-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 21, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Dec	191121	62.1	62.75	61.73	61.84	-0.4	8,816	17,977	-5,403
20-Mar	191121	64.28	64.85	63.7	64.01	-0.27	22,158	127,593	-2,435
20-May	191121	65.09	66.04	64.88	65.14	-0.34	4,945	31,745	975
20-Jul	191121	66.44	66.98	65.96	66.14	-0.39	995	16,615	-54
20-Oct	191121	66.44	66.44	66.44	66.44	-0.39	1	5	1
20-Dec	191121	66.82	67.41	66.29	66.56	-0.43	385	24,354	228
Total Volume and Open Interest							37,309	220,072	-6,690

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