

Domestic Fundamentals:**Market Outlook:**

The Rajkot mandi price for variety Shankar 6 stood Rs.38,500/per candy (68.55 cents/lb). Cotton prices across India reported to show mixed trend prices ranging today compared to the previous day and prices started moving towards MSP. The international cotton market was materially higher. The main factor is just that there is some positive news over the weekend out of China regarding their efforts to improve the intellectual property rights and so the main thing that is pushing up all the commodities markets.

News: The domestic average cotton price at Rajkot market stood lower at Rs. 5015/q because of higher moisture. CCI is not buying such cotton and waiting for cotton to reduce its moisture in few more days. In Gujarat, the price of Shankar-6 cotton variety has declined by Rs. 1,000 to Rs. 2,000 per candy around Rs.38000-39000/candy in past one and half month. Also there has been seen any improvement in the Adoni market in AP as CCI has not started procurement in all the centers. The average prices is hovering around Rs.4900 -5000/q in the last week.

The farmers from Bhatinda, Mansa, Muktsar and Fazilka in Punjab are in distress as CCI still has been procuring cotton in bulk quantities. The farmers claim that half of the total arrived cotton have been sold to the private traders at lower prices than MSP at around Rs.5000-5200/q. About 2.65 lakh bales have arrived in the mandis of Punjab till November 21 and only 18000 bales have been purchased by CCI so far.

As on 18 November 2019, CCI has procured around 4 lakh quintals (2.35 lakh bales) kapas at Rs.5550/q (MSP) from the farmers mainly in the states of Punjab, Haryana, Rajasthan and Telangana and at some centres in the states of Gujarat, Maharashtra, Madhya Pradesh, Andhra Pradesh and Karnataka except in Tamil Nadu and Odisha by the Union Minister of Textiles, Smriti Zubin Irani. The procurement by CCI is likely to pace up from December as the initial arrivals in Maharashtra, Gujarat, Telangana and MP have not been good due to untimely rains that affected the quality of cotton. The current prices in mandis were Rs 5,000-5,400 a quintal but by December, good-quality cotton and if global demand picks up, the domestic prices too will increase.

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 get 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 declined 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.

Weather Forecast for tomorrow:

During the next 24 hours, scattered light to moderate rain and snow is expected over Jammu and Kashmir, parts of Himachal Pradesh and Uttarakhand. Scattered light rain with one or two moderate spells is likely over Punjab, Haryana, North Rajasthan and parts of Northwest Uttar Pradesh. However light rain with one or two moderate spells is possible over coastal stations of Tamil Nadu with light rain at few places of interior Tamil Nadu. The weather in the rest parts of the country will be dry.

International Fundamentals:

Cotton rallied on Monday with gains, Dec futures led the rally with a triple digit gain of 117 points. The 11/22 Cotlook A Index was down for the again at 73.25 cents/lb. The AWP for cotton is 56.36 cents per lb. and effective through Thursday. USDA cotton ginnings report data showed that as of Nov 15th 9.143 Million bales had been ginned. That was up 32.72% over last November and 48% over the 15 year average.

The USDA's weekly crop progress report showed cotton harvest crest above 78% complete in the week ending 24th November against 68% in same period last year. Although some areas experienced delays due to rain, cotton harvest continued in most areas of the Plains in Texas. The average pace of harvesting is 74%, with Texas has completed 68% harvest, Georgia has harvested 85% of their crop followed by Kansas harvesting 64% of the crop and Missouri harvesting 91% of the crop.

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).

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	-50	19140	19190	19060	19110	169	-311	362	-1801
19-Dec	100	19170	19390	19170	19200	706	339	2124	841
20-Jan	170	19350	19510	19350	19300	166	-642	520	-1020

Spread	19-Oct	19-Nov	19-Dec	20-Jan	--	--
Spot	-				-	-
19-Oct	-	-200	-	-	-	-
19-Nov	-	-	-120	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 26th Nov @ 5.30 pm

* Updated at as on 26-Nov- 2019 @ 5:00 PM

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Nov-19	25-Nov-19	
Gujarat	Ahmedabad	Shankar-6	5125	5125	Unch
	Gondal	Shankar-6	5180	5130	50
	Rajkot	B.T. Cotton	5015	5000	15
	Patan	B.T. Cotton	5130	5200	-70
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	4655	NA	-
	Dhrol	B.T. Cotton	5160	5130	30
Haryana	Bhiwani	B.T. Cotton	5200	5250	-50
	Bhiwani	Desi	6250	6250	Unch
	Adampur	B.T. Cotton	5110	5100	10
	Fatehabad	B.T. Cotton	5100	5100	Unch
	Jind	B.T. Cotton	5425	5445	-20
	Uchana	B.T. Cotton	5185	5265	-80
	Dabwali	B.T. Cotton	5100	5100	Unch
Rajasthan	Hanumangarh	B.T. Cotton	5050	5100	-50
	Rawatsar	B.T. Cotton	5150	5150	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	5330	-
	Khargaon	Mech-1	5550	5555	-5
Maharashtra	Amravati	Mech-1	5000	5000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5500	NR	-
	Hathras	Desi	5200	NR	-
Telangana	Adilabad	Un-Ginned	5000	NA	-
Karnataka	Bijapur	Bunny	5261	5319	-58
	Hubli	D.C.H.	5450	5550	-100
	Hubli	B.T. Cotton	6700	6650	50
	Raichur	H-44 Cotton	NA	5050	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Nov-19	25-Nov-19	
Punjab	Bhatinda	J-34	3920	3915	5
	Abohar	J-34	3940	3920	20
	Mansa	J-34	3900	3900	Unch
Haryana	Sirsa	J-34	3900	3880	20
Rajasthan	Sri-Ganganagar	J-34	3657	3647	9

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Nov-19	25-Nov-19	
Gujarat	Ahmedabad	Shankar-6	76500	76500	Unch
	Gondal	Shankar-6	4091	4177	-86
	Rajkot	B.T. Cotton	4600	7000	-2400
	Patan	B.T. Cotton	20483	22300	-1817
	Kadi	B.T. Cotton	60000	50000	10000
	Deesa	B.T. Cotton	400	NA	-
	Dhrol	B.T. Cotton	262	250	12
Haryana	Bhiwani	B.T. Cotton	2500	3000	-500
	Bhiwani	Desi	50	50	Unch
	Adampur	B.T. Cotton	1360	1700	-340
	Fatehabad	B.T. Cotton	900	700	200
	Jind	B.T. Cotton	801	811	-10
	Uchana	B.T. Cotton	3000	2330	670
	Dabwali	B.T. Cotton	900	2100	-1200
Rajasthan	Hanumangarh	B.T. Cotton	1600	4000	-2400
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	500	-
	Khargaon	Mech-1	5685	4085	1600
Maharashtra	Amravati	Mech-1	8000	7000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	125	NR	-
	Hathras	Desi	30	NR	-
Telangana	Adilabad	Un-Ginned	27620	NA	-
Karnataka	Bijapur	Bunny	3460	6712	-3252
	Hubli	D.C.H.	NA	92	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	3585	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-Nov-19	25-Nov-19	
Punjab	Bhatinda	J-34	8500	6800	1700
	Abohar	J-34	1700	2380	-680
	Mansa	J-34	680	510	170
Haryana	Sirsa	J-34	1700	1190	510
Rajasthan	Sri-Ganganagar	J-34	3000	2000	1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil	Price	Change
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State	Centre	Unit	26-Nov-19	25-Nov-19	
Gujarat	Rajkot	Rs. /10 Kg.	790	790	Unch
Delhi	New Delhi	Rs. /10 Kg.	768	770	-2
Telangana	Hyderabad	Rs. /10 Kg.	805	810	-5
Maharashtra	Mumbai	Rs. /10 Kg.	800	795	5

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-Nov-19	25-Nov-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2066	2067	-1
Maharashtra	Akola	Rs./Qtl	2126	2167	-41

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	26-Nov-19	25-Nov-19	Change
CCIndex(328)	RMB/Ton	13069	13049	20
CCIndex(527)	RMB/Ton	12076	12047	29
CCIndex(229)	RMB/Ton	13418	13405	13
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	26-Nov-19	25-Nov-19	Change
FC Index (S)	Cents/lb	80.22	79.22	1.00
FC Index (M)	Cents/lb	76.07	75.07	1.00
FC Index (L)	Cents/lb	75.01	74.01	1.00

Cotlook Index:

Cotlook Indices	Unit	25-Nov-19	22-Nov-19	Change
A-Index	Cents/Pound	74.1	73.25	0.85

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		25-Nov-19	25-Nov-19	Bales
Southeast	cents/lb.	63.8	66.05	0
North Delta	cents/lb.	62.8	65.05	0
South Delta	cents/lb.	62.8	65.05	0
East TX-OK	cents/lb.	60.55	62.8	3178
West Texas	cents/lb.	60.55	63.3	8043
Desert SW	cents/lb.	58.05	62.05	195
SJ Valley	cents/lb.	58.55	67.45	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 23-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 25, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Dec	191125	64	64.75	63.5	64.69	1.27	7,342	1,843	-5,681
20-Mar	191125	64.9	65.9	64.75	65.8	0.95	24,475	125,724	811
20-May	191125	65.94	66.9	65.85	66.81	0.87	6,512	30,268	-873
20-Jul	191125	66.9	67.65	66.75	67.58	0.77	1,067	16,537	-32
20-Oct	191125	67.48	67.48	67.48	67.48	0.52	0	5	0
20-Dec	191125	67.41	67.65	66.93	67.58	0.54	348	24,342	43
Total Volume and Open Interest							39,761	200,496	-5,734

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