

Domestic Fundamentals:**Market Outlook:**

The Rajkot mandi price for variety Shankar 6 stood Rs.38,700/per candy (69.18 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: According to the Agriwatch estimates, total cotton production in India likely to decline by around 20-22 lakh bales to approximately 350 lakh bales from the previous estimates of 371 lakh bales earlier for 2019-20 season. Cotton in Gujarat, Maharashtra, MP and Telangana, all the major cotton producing states were hit by the untimely rains till first week of November which affected the total India's cotton production to decline by around 6-8%.

In Saurashtra region, farmers in Amreli and Sundernagar have complaint for pink bollworm attack after the extended and untimely rains. Therefore, the state was expecting to produce around 95-100 lakh bales earlier but now only 88-90 lakh bales (-12%) is expected to produce. Similarly other states are also prone to pest attack and the damage caused by the rains is significant than expected. The production likely to decline by 11% in Maharashtra followed by AP and Telangana by -10 to -14%.

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 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.

Weather Forecast for tomorrow:

Light to moderate rains with one or two heavy spells is expected over Coastal Tamil Nadu, South coastal Andhra Pradesh. Scattered light to moderate rain was seen over interior Tamil Nadu and isolated over Kerala, Rayalaseema and South Interior Karnataka. Similarly, weather activities over Punjab, Haryana, Delhi, East Rajasthan, and West Uttar Pradesh will also subside by tomorrow afternoon. Till then scattered rain and thundershowers with isolated hailstorms are possible.

International Fundamentals:

Cotton futures were 8 to 20 points lower, with DEC 19 Cotton closed at 64.7, down 20 points. The 11/25 Cotlook A Index regained all of the 85 points from yesterday, back at 74.95 cents/lb. the adjusted world price will not be updated until Friday; it is still currently at 56.36 cents per lb.

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	20	19090	19090	18990	18980	75	-405	186	-1977
19-Dec	-10	19220	19290	19200	19240	324	-43	2238	955
20-Jan	10	19430	19430	19420	19410	4	-804	509	-1031

Spread	19-Oct	19-Nov	19-Dec	20-Jan	--	--
Spot	-				-	-
19-Oct	-	-200	-	-	-	-
19-Nov	-	-	-140	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 28th Nov @ 5.30 pm

* Updated at as on 28-Nov- 2019 @ 5:00 PM

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Nov-19	27-Nov-19	
Gujarat	Ahmedabad	Shankar-6	5125	5125	Unch
	Gondal	Shankar-6	5155	5180	-25
	Rajkot	B.T. Cotton	NR	5075	-
	Patan	B.T. Cotton	5225	5205	20
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	4575	-
	Dhrol	B.T. Cotton	4920	4935	-15
Haryana	Bhiwani	B.T. Cotton	5250	5225	25
	Bhiwani	Desi	6250	6250	Unch
	Adampur	B.T. Cotton	5060	5150	-90
	Fatehabad	B.T. Cotton	5080	5125	-45
	Jind	B.T. Cotton	NA	5450	-
	Uchana	B.T. Cotton	5100	5185	-85
	Dabwali	B.T. Cotton	5050	5120	-70
Rajasthan	Hanumangarh	B.T. Cotton	5050	5080	-30
	Rawatsar	B.T. Cotton	5050	5150	-100
Madhya Pradesh	Khandwa	Mech-1	5570	5300	270
	Khargaon	Mech-1	5550	5500	50
Maharashtra	Amravati	Mech-1	5100	5100	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5100	5100	Unch
	Hathras	Desi	4800	4800	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5289	5253	36
	Hubli	D.C.H.	5450	5500	-50
	Hubli	B.T. Cotton	6550	6600	-50
	Raichur	H-44 Cotton	NA	5030	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Nov-19	27-Nov-19	
Punjab	Bhatinda	J-34	3930	3940	-10
	Abohar	J-34	3940	3960	-20
	Mansa	J-34	3820	3935	-115
Haryana	Sirsa	J-34	3910	3920	-10
Rajasthan	Sri-Ganganagar	J-34	3685	3666	19

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Nov-19	27-Nov-19	
Gujarat	Ahmedabad	Shankar-6	76500	71400	5100
	Gondal	Shankar-6	3158	4351	-1193
	Rajkot	B.T. Cotton	NR	7000	-
	Patan	B.T. Cotton	16457	19263	-2806
	Kadi	B.T. Cotton	60000	70000	-10000
	Deesa	B.T. Cotton	NA	400	-
	Dhrol	B.T. Cotton	188	273	-85
Haryana	Bhiwani	B.T. Cotton	1500	3000	-1500
	Bhiwani	Desi	10	20	-10
	Adampur	B.T. Cotton	1870	1360	510
	Fatehabad	B.T. Cotton	800	250	550
	Jind	B.T. Cotton	NA	551	-
	Uchana	B.T. Cotton	2000	2645	-645
	Dabwali	B.T. Cotton	950	700	250
Rajasthan	Hanumangarh	B.T. Cotton	2000	2000	Unch
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	1485	400	1085
	Khargaon	Mech-1	5200	3570	1630
Maharashtra	Amravati	Mech-1	8000	9000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	200	200	Unch
	Hathras	Desi	60	60	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	6935	6103	832
	Hubli	D.C.H.	12	158	-146
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4042	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Nov-19	27-Nov-19	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	1190	1190	Unch
	Mansa	J-34	340	170	170
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	28-Nov-19	27-Nov-19	
Gujarat	Rajkot	Rs. /10 Kg.	790	795	-5
Delhi	New Delhi	Rs. /10 Kg.	770	768	2
Telangana	Hyderabad	Rs. /10 Kg.	805	810	-5
Maharashtra	Mumbai	Rs. /10 Kg.	800	800	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	28-Nov-19	27-Nov-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1976	2043	-67
Maharashtra	Akola	Rs./Qtl	2047	2100	-53

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				27-Nov-19	26-Nov-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38100	38000	100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38600	38500	100
J-34(202)	26mm	3.5 - 4.9	23	37200	37100	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39200	39000	200
Shankar-6(105)	29mm	3.5 - 4.9	28	38700	38800	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40300	40200	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39900	39900	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	40700	40700	Unch

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

Index	Unit	28-Nov-19	27-Nov-19	Change
CCIndex(328)	RMB/Ton	13097	13099	-2
CCIndex(527)	RMB/Ton	12102	12101	1
CCIndex(229)	RMB/Ton	13436	13439	-3

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

China Foreign Cotton (FCE) Index :

Index	Unit	28-Nov-19	27-Nov-19	Change
FC Index (S)	Cents/lb	80.22	80.22	Unch
FC Index (M)	Cents/lb	76.07	76.07	Unch
FC Index (L)	Cents/lb	75.01	75.01	Unch

Cotlook Index:

Cotlook Indices	Unit	27-Nov-19	26-Nov-19	Change
A-Index	Cents/Pound	75.1	74.95	0.15

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		27-Nov-19	27-Nov-19	Bales
Southeast	cents/lb.	63.81	66.06	13
North Delta	cents/lb.	62.81	65.06	39431
South Delta	cents/lb.	62.81	65.06	1054
East TX-OK	cents/lb.	60.56	62.81	6177
West Texas	cents/lb.	60.56	63.31	9222
Desert SW	cents/lb.	58.31	62.31	5000
SJ Valley	cents/lb.	58.81	67.71	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 27-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 27, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Dec	191127	64.85	64.91	64.67	64.91	0.01	45	942	-280
20-Mar	191127	65.92	66.1	65.27	65.81	-0.14	16,023	123,154	189
20-May	191127	66.93	67.18	66.43	66.91	-0.15	4,362	30,953	208
20-Jul	191127	67.71	67.95	67.27	67.63	-0.25	1,280	16,333	-3
20-Oct	191127	67.58	67.58	67.58	67.58	-0.2	0	5	0
20-Dec	191127	67.57	67.85	67.2	67.64	-0.16	371	24,389	125
Total Volume and Open Interest							22,176	197,537	224

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