

**Domestic Fundamentals:****Market Outlook:**

The Rajkot mandi price for variety Shankar 6 stood Rs.38,550/per candy (68.66 cents/lb). Cotton prices across India reported to showed mixed trend across India ranging around Rs.5000/q in Gujarat whereas firm in Haryana (Bhiwani) kapas stood at Rs.6200/q. The international cotton market remained steady. 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% from the earlier estimates.

**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% from the previous estimates for 2019-20 season.

**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 21<sup>st</sup> Nov'19.** And a total of 8.48 lakh bales have arrived in this week ending on 21<sup>st</sup> 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.

### **Weather Forecast for tomorrow:**

During the next 24 hours, scattered rains and thundershowers along with snowfall at higher reaches is expected to continue over the Himalayas. Light rains are a possibility over foothills of Punjab, Haryana and parts of West Uttar Pradesh. Isolated rains and snow are likely over Arunachal Pradesh. Light to moderate rains along with a few heavy spells are possible over Tamil Nadu. Isolated rains are likely over South Interior Karnataka, Rayalaseema and South coast of Andhra Pradesh.

### **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 24<sup>th</sup> 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 14<sup>th</sup> 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	-560	19050	19080	18460	19020	109	-371	96	-2067
19-Dec	-50	19270	19290	19130	19250	407	40	2244	961
20-Jan	30	19390	19420	19390	19390	10	-798	502	-1038

Spread	19-Oct	19-Nov	19-Dec	20-Jan	--	--
Spot	-				-	-
19-Oct	-	-210	-	-	-	-
19-Nov	-	-	-130	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 29th Nov @ 5.30 pm

\* Updated at as on 29-Nov- 2019 @ 5:00 PM

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	29-Nov-19	28-Nov-19	
Gujarat	Ahmedabad	Shankar-6	5125	5125	Unch
	Gondal	Shankar-6	5130	5155	-25
	Rajkot	B.T. Cotton	5000	5050	-50
	Patan	B.T. Cotton	5150	5225	-75
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4970	4920	50
Haryana	Bhiwani	B.T. Cotton	5200	5250	-50
	Bhiwani	Desi	6210	6250	-40
	Adampur	B.T. Cotton	5150	5060	90
	Fatehabad	B.T. Cotton	5080	5080	Unch
	Jind	B.T. Cotton	5400	NA	-
	Uchana	B.T. Cotton	5160	5100	60
	Dabwali	B.T. Cotton	5060	5050	10
Rajasthan	Hanumangarh	B.T. Cotton	5150	5050	100
	Rawatsar	B.T. Cotton	5090	5050	40
Madhya Pradesh	Khandwa	Mech-1	5200	5570	-370
	Khargaon	Mech-1	5550	5550	Unch
Maharashtra	Amravati	Mech-1	4900	5100	-200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5200	5100	100
	Hathras	Desi	4800	4800	Unch
Telangana	Adilabad	Un-Ginned	NA	4960	-
Karnataka	Bijapur	Bunny	5253	5289	-36
	Hubli	D.C.H.	5450	5450	Unch
	Hubli	B.T. Cotton	6550	6550	Unch
	Raichur	H-44 Cotton	NA	5000	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	29-Nov-19	28-Nov-19	
Punjab	Bhatinda	J-34	3940	3930	10
	Abohar	J-34	3940	3940	Unch
	Mansa	J-34	3915	3820	95
Haryana	Sirsa	J-34	3900	3910	-10
Rajasthan	Sri-Ganganagar	J-34	3676	3685	-9

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	29-Nov-19	28-Nov-19	
Gujarat	Ahmedabad	Shankar-6	73100	76500	-3400
	Gondal	Shankar-6	3750	3158	592
	Rajkot	B.T. Cotton	4700	6200	-1500
	Patan	B.T. Cotton	18320	16457	1863
	Kadi	B.T. Cotton	60000	60000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	231	188	43
Haryana	Bhiwani	B.T. Cotton	3000	1500	1500
	Bhiwani	Desi	10	10	Unch
	Adampur	B.T. Cotton	2040	1870	170
	Fatehabad	B.T. Cotton	1100	800	300
	Jind	B.T. Cotton	1105	NA	-
	Uchana	B.T. Cotton	5450	2000	3450
	Dabwali	B.T. Cotton	780	950	-170
Rajasthan	Hanumangarh	B.T. Cotton	3000	2000	1000
	Rawatsar	B.T. Cotton	4000	3000	1000
Madhya Pradesh	Khandwa	Mech-1	300	1485	-1185
	Khargaon	Mech-1	4695	5200	-505
Maharashtra	Amravati	Mech-1	9000	8000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	100	200	-100
	Hathras	Desi	20	60	-40
Telangana	Adilabad	Un-Ginned	NA	15310	-
Karnataka	Bijapur	Bunny	6414	6935	-521
	Hubli	D.C.H.	12	12	Unch
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4725	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	29-Nov-19	28-Nov-19	
Punjab	Bhatinda	J-34	6800	5100	1700
	Abohar	J-34	1360	1190	170
	Mansa	J-34	510	340	170
Haryana	Sirsa	J-34	1700	1190	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	29-Nov-19	28-Nov-19	
Gujarat	Rajkot	Rs. /10 Kg.	800	790	10
Delhi	New Delhi	Rs. /10 Kg.	775	770	5
Telangana	Hyderabad	Rs. /10 Kg.	810	805	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	29-Nov-19	28-Nov-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1960	1976	-16
Maharashtra	Akola	Rs./Qtl	2010	2047	-37

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				28-Nov-19	27-Nov-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38100	38100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38600	38600	Unch
J-34(202)	26mm	3.5 - 4.9	23	37200	37200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39200	39200	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38700	38700	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40300	40300	Unch
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	29-Nov-19	28-Nov-19	Change
CCIndex(328)	RMB/Ton	13092	13097	-5
CCIndex(527)	RMB/Ton	12103	12102	1
CCIndex(229)	RMB/Ton	13435	13436	-1

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

**China Foreign Cotton (FCE) Index :**

Index	Unit	29-Nov-19	28-Nov-19	Change
FC Index (S)	Cents/lb	80.21	80.22	-0.01
FC Index (M)	Cents/lb	76.04	76.07	-0.03
FC Index (L)	Cents/lb	75.01	75.01	Unch



**Cotlook Index:**

Cotlook Indices	Unit	28-Nov-19	27-Nov-19	Change
A-Index	Cents/Pound	75.1	75.1	Unch

**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 28-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 28, 2019**

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">19-Dec</a>	191127	64.85	64.91	64.67	64.91	0.01	45	942	-280
<a href="#">20-Mar</a>	191127	65.92	66.1	65.27	65.81	-0.14	16,023	123,154	189
<a href="#">20-May</a>	191127	66.93	67.18	66.43	66.91	-0.15	4,362	30,953	208
<a href="#">20-Jul</a>	191127	67.71	67.95	67.27	67.63	-0.25	1,280	16,333	-3
<a href="#">20-Oct</a>	191127	67.58	67.58	67.58	67.58	-0.2	0	5	0
<a href="#">20-Dec</a>	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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