

Domestic Fundamentals:**Market Outlook:**

The Rajkot mandi price for variety Shankar 6 stood Rs.38,550/per candy (68.54 cents/lb). Cotton prices across India reported to showed mixed trend across India ranging around Rs.5120/q to Rs. 5250/q in Gujarat whereas firm in Haryana. 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 latest estimates of released by CAB, the crop size estimate for the season 2019-20 is retained at 360 lakh bales against 330 lakh bales in 2018-19. As per CAB estimates, cotton sowing for the 2019-20 year is about 1 per cent down at 125.84 lakh hectares. Also, CAB indicated that India's domestic cotton consumption may rise 4-5 per cent during 2019-20 as it expects the consumption of the fiber to remain at around 331 lakh bales for the year, against 316.5 lakh bales estimated for 2018-19.

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 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).

Weather Forecast for tomorrow:

During the next 24 hours, isolated rains and snow are likely over Uttarakhand and isolated light rain over Himachal Pradesh. Rain and snow activities are likely to increase over Arunachal Pradesh and few moderate spells are also possible. Light to moderate rain with one or two heavy spells is expected over Tamil Nadu. Rain activities will now increase over Kerala and will see light to moderate rain with one or two intense spells. South Karnataka and South Andhra Pradesh may receive scattered light rain with one or two moderate spells.

International Fundamentals:

Cotton futures were lower on Friday, with drops ranging from 39 to 153 points, DEC 19 Cotton closed at 63.38, down 153 points. The 11/28 Cotlook A Index remained unchanged at 75.10 cents/lb. The new AWP is 56.20 cents /lb, which was a 16 point reduction from last Thursday.

The US Export Sales report from USDA showed 281,500 RB of 2019-20 upland cotton sold in the week ending 21st Nov'19 were up by 24% compared to previous week. With major buyers including Vietnam (74,100RB), Turkey (67,800 RB) Bangladesh (46,400RB), Malaysia (39,900RB) followed by China (39,600 RB) and reductions were from Mexico (67,500RB). For 2020-21, net upland sales of 23,800 RB were primarily for Malaysia (14,100RB), Thailand (5,300RB), Japan (2,600RB), and Indonesia (1,800RB).

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.

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	30-Nov-19	29-Nov-19	
Gujarat	Ahmedabad	Shankar-6	5125	5125	Unch
	Gondal	Shankar-6	5130	5130	Unch
	Rajkot	B.T. Cotton	5300	5000	300
	Patan	B.T. Cotton	5130	5150	-20
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4875	4970	-95
Haryana	Bhiwani	B.T. Cotton	5200	5200	Unch
	Bhiwani	Desi	6250	6250	Unch
	Adampur	B.T. Cotton	5075	5150	-75
	Fatehabad	B.T. Cotton	5125	5080	45
	Jind	B.T. Cotton	5425	5400	25
	Uchana	B.T. Cotton	5180	5160	20
	Dabwali	B.T. Cotton	5085	5060	25
Rajasthan	Hanumangarh	B.T. Cotton	5150	5150	Unch
	Rawatsar	B.T. Cotton	5090	5090	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	5200	-
	Khargaon	Mech-1	5500	5550	-50
Maharashtra	Amravati	Mech-1	4950	4900	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5200	5200	Unch
	Hathras	Desi	4500	4800	-300
Telangana	Adilabad	Un-Ginned	NA	4930	-
Karnataka	Bijapur	Bunny	5253	5253	Unch
	Hubli	D.C.H.	5450	5450	Unch
	Hubli	B.T. Cotton	6500	6550	-50
	Raichur	H-44 Cotton	NA	5000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	30-Nov-19	29-Nov-19	
Punjab	Bhatinda	J-34	3950	3940	10
	Abohar	J-34	3950	3940	10
	Mansa	J-34	3900	3915	-15
Haryana	Sirsa	J-34	3880	3900	-20
Rajasthan	Sri-Ganganagar	J-34	3666	3676	-9

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	30-Nov-19	29-Nov-19	
Gujarat	Ahmedabad	Shankar-6	74800	73100	1700
	Gondal	Shankar-6	3631	3750	-119
	Rajkot	B.T. Cotton	5600	4700	900
	Patan	B.T. Cotton	17742	18320	-578
	Kadi	B.T. Cotton	70000	60000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	80	231	-151
Haryana	Bhiwani	B.T. Cotton	2000	3000	-1000
	Bhiwani	Desi	10	10	Unch
	Adampur	B.T. Cotton	1700	2040	-340
	Fatehabad	B.T. Cotton	1100	1100	Unch
	Jind	B.T. Cotton	680	651	29
	Uchana	B.T. Cotton	2360	5450	-3090
	Dabwali	B.T. Cotton	1100	780	320
Rajasthan	Hanumangarh	B.T. Cotton	2000	3000	-1000
	Rawatsar	B.T. Cotton	4000	4000	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	300	-
	Khargaon	Mech-1	4865	4695	170
Maharashtra	Amravati	Mech-1	9000	9000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	20	100	-80
	Hathras	Desi	10	20	-10
Telangana	Adilabad	Un-Ginned	NA	24610	-
Karnataka	Bijapur	Bunny	5380	6414	-1034
	Hubli	D.C.H.	NA	28	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5415	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	30-Nov-19	29-Nov-19	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	1530	1360	170
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	1700	1700	Unch
Rajasthan	Sri-Ganganagar	J-34	4000	3000	1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil	Price	Change
-----------	-----------------	-------	--------

State	Centre	Unit	30-Nov-19	29-Nov-19	
Gujarat	Rajkot	Rs. /10 Kg.	800	800	Unch
Delhi	New Delhi	Rs. /10 Kg.	775	775	Unch
Telangana	Hyderabad	Rs. /10 Kg.	810	810	Unch
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	30-Nov-19	29-Nov-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1958	1960	-2
Maharashtra	Akola	Rs./Qtl	2020	2010	10

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				29-Nov-19	28-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	39300	39200	100
Shankar-6(105)	29mm	3.5 - 4.9	28	38700	38700	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40400	40300	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	30-Nov-19	29-Nov-19	Change
CCIndex(328)	RMB/Ton	Closed	13092	-
CCIndex(527)	RMB/Ton	Closed	12103	-
CCIndex(229)	RMB/Ton	Closed	13435	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	30-Nov-19	29-Nov-19	Change
FC Index (S)	Cents/lb	Closed	80.21	-
FC Index (M)	Cents/lb	Closed	76.04	-
FC Index (L)	Cents/lb	Closed	75.01	-

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 29-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 29, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Dec	191129	64.69	64.69	63.38	64.4	-0.51	5	914	-28
20-Mar	191129	65.72	65.78	65.11	65.36	-0.45	17,057	123,225	71
20-May	191129	66.88	66.88	66.23	66.39	-0.52	5,079	31,537	584
20-Jul	191129	67.63	67.63	66.96	67.02	-0.61	1,509	16,471	138
20-Oct	191129	67.29	67.29	67.29	67.29	-0.29	0	5	0
20-Dec	191129	67.14	67.55	66.8	66.84	-0.8	881	24,749	360
Total Volume and Open Interest							24,716	198,775	1,238

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2019 Indian Agribusiness Systems Pvt. Ltd.