

Domestic Fundamentals:**Market Outlook:**

The Rajkot mandi price for variety Shankar 6 stood Rs.39,900/per candy (70.99 cents/lb). Cotton prices across India reported to showed mixed trend across. ICE cotton futures slipped on Tuesday as investors booked profits when prices hit a seven-month peak earlier in the session. The U.S. Department of Agriculture's supply and demand report remained in focus.

News: According to the sources, 390 procurement centers are operational out of 426 across India. CCI procured 35.7 lakh bales (30% of total arrivals) as of 8th January'20 but in last year, CCI took only 10 lakh bales from the farmers in 2018-19 season. It is expected that CCI likely to procure around 50-6- lakh bales this year. So far, Out of the 35.7 lakh bales, around 19 lakh bales was procured from Telangana, with Maharashtra (6 lakh), Gujarat (3.5 lakh), Haryana (2.8 lakh), Punjab (2.2 lakh) and Rajasthan (2 lakh) being the other major contributors.

According to the trade sources, all India cotton arrivals stood around 117.62 lakh bales. Out of which, 57.33 lakh bales has been arrived from Maharashtra, MP and Gujarat, followed by 34.47 lakh bales from the southern states including Telangana, AP and Karnataka. The arrivals from North India reported around 25.38 lakh bales from Punjab, Haryana and Rajasthan. Slight decline have been reported from Gujarat and Maharashtra due to untimely rains.

CAI retains the cotton crop estimates at 354 lakh bales from its earlier estimates for 2019-20 season. The CAI has reduced its cotton crop estimate of the Northern Zone (lower Rajasthan) by 2 lakh bales from its previous month's estimate to 61 lakh bales from 63 lakh bales. However, there is an increase of 2 lakh bales in the cotton crop estimate of Maharashtra State compared to the estimate. The total arrivals reached 125.89 lakh bales upto 31st December 2019 and the opening stock estimated by the CAI at 23.50 lakh bales at the beginning of the season.

According to CAI, shipment of imports from 1st October 2019 to 31st December 2019 which have reached Indian Ports are estimated at 6.50 lakh bales while balance 18.50 lakh bales are estimated to arrive Indian Ports till 30th September 2020. While cotton export shipments are estimated around 10 lakh bales from 1st October 2019 to 31st December 2019 and a balance of 32 lakh bales are expected to be shipped during the period from 1st January 2020 to 30th September 2020.

According to the trade sources, the Indian cotton exports for the Nov'19 were reported higher at 3.47 lakh bales against 1.33 lakh bales in the previous month. In Nov'19 also, Bangladesh was the largest importer, importing 2.69 lakh bales with an average FOB of 1.64 \$/Kg lower compared to 1.75 \$/kg previous month followed by Indonesia importing 26,857 bales at 1.48 \$/Kg, China at an average of 1.6\$/kg for 23,583 bales. China also has started importing cotton from India but in small quantities. Vietnam, Turkey and Iran also imported raw cotton from India in November contributing to the Indian exports of around 24,941 bales at an average FOB of 1.55-1.75\$/kg.

As on 2nd Jan'20 according to CCI, the cotton arrivals from all over India stood approximately 116.95 lakh bales this season so far. The arrivals in Gujarat reached around 25.68 lakh bales even after loss caused by the untimely rains in the state. The state is expecting 10% less production from the earlier estimates of 100 lakh bales. The arrivals were delayed in South India, but now Telangana is leading 2nd position with 23.41 lakh bales arrivals with moisture content ranging between 8-12% and CCI is procuring 95% of the cotton. Maharashtra also faced bad weather this year which affected the crop and so far 18.84 lakh bales have been arrived in the state. While the arrivals from North India declined this month after the sowing of wheat crop has started in the previous month (November) in Punjab and Haryana. Rajasthan is seen to have good crop growth that received 13.47 lakh bales this year so far followed by Haryana (12.94 lakh bales) and Punjab (5.07 lakh bales).

Recent untimely rains in the last week of December for around 4 days in Vidarbha region of Maharashtra have affected some of the area under cotton and other crops. During Wed-Thu, Nagpur received 15.9 mm rainfall, 1,349% above normal, according to data from India Meteorological Department. The weather agency has forecast the minimum temperature to

fall to 9 degrees Celsius on Saturday. According to the sources, 13,228 ha of area under cotton, 4,084 ha under oranges and sweet lime, 3,030 ha under tur, 740 ha under wheat and 286 ha under vegetables have been damaged.

According to the latest data released by the textile industry, the Indian cotton yarn exports declined drastically by 30.2% till Nov'19 from the starting of the financial year in April'19. India exported 851 million kg in 2018 while only 594 million kg in 2019 during April to November'19. The top importers of cotton yarn were China (-49%) importing 160 mln kg followed by Bangladesh 102 mln kg (-37.9%) and Egypt importing 35 mln kg however higher compared to previous year by 1.64% so far in 2019 although the exports to China, Bangladesh, Pakistan, Vietnam were lesser compared to the previous year (2018) because of disparity between domestic and international cotton prices. However, Iran is importing significantly large quantity of yarn this year of 9.28 mln kg compared to 1.57 mln kg in the same time previous year (+493%). Decline in raw cotton exports have reported to Bangladesh (-27%), Vietnam (-78.4%), China (-86%), and Taiwan (-54%) due to lower demand while the exports increased to Iran (896%), Oman (893%) and Nepal (15.7%).

As on 25th Dec'19 according to CCI, the cotton arrivals from all over India stood approximately 72.3 lakh bales this season so far. Although the arrivals were delayed in South India, but now Telangana is leading with 13.94 lakh bales arrivals with moisture content ranging between 8-12% and CCI is procuring 95% of the cotton. The state is followed by Gujarat, that received around 12.99 lakh bales so far after the loss caused by the untimely rains in the state. The state is expecting 10% less production from the earlier estimates of 100 lakh bales. Similarly Maharashtra also faced bad weather this year which affected the crop and so far 9.3 lakh bales have been arrived in the state. While the arrivals from North India declined this month after the sowing of wheat crop has started in the previous month (November) in Punjab and Haryana. Rajasthan is seen to have good crop growth that received 11.3 lakh bales this year so far followed by Haryana (10.86 lakh bales) and Punjab (3.42 lakh bales).

Weather Forecast for tomorrow:

During the next 24 hours, scattered rain and snow will continue in Jammu and Kashmir, Ladakh and Himachal Pradesh. Moderate to heavy rain and snow is expected in Uttarakhand until the afternoon of January 9. Rainfall activity will subside in Punjab, Haryana, Delhi, and Rajasthan, however, rains may intensify in Northwest Uttar Pradesh and will gradually cover most parts of East Uttar Pradesh, Jharkhand, parts of Bihar, Odisha and West Bengal. Light to moderate rain is likely in East Madhya Pradesh, Chhattisgarh, Vidarbha and parts of Telangana. Isolated light rain is likely in Tamil Nadu and Andhra Pradesh.

International Fundamentals:

Cotton futures closed with gains of 2 to 20 points in the front months on Wednesday, Mar 20 Cotton closed at 69.96, up 13 points. The 01/07 Cotlook A index was up 70 points to 78.75 cents/. The USDA average price for cotton was at 64.74 cents/lb. The cotton AWP is 59.63 cents/lb, and will be updated tomorrow.

The US Export Sales report from USDA showed 246,200 RB of 2019-20 upland cotton sold in the week ending 26th Dec'19 were up by 82% compared to previous week. Increases primarily for Vietnam (114,300 RB, including 1,500 RB switched from South Korea, 1,300 RB switched from Hong Kong, and 800 RB switched from Japan), Turkey (36,100 RB), Pakistan (32,800 RB), Malaysia (16,200 RB), and Bangladesh (13,600 RB, including decreases of 8,800 RB), were offset by reductions for Japan (2,100 RB) and Hong Kong (1,300 RB). For 2020-21, net sales of 19,400 RB and were primarily for Vietnam (13,200 RB) and Bangladesh (6,000 RB).

The Cotton Crop Assessment Committee (CCAC) has estimated the country's cotton output at 9.45 million bales against the production target from the earlier estimate of 12 million bales for the current season. The cotton output in Punjab was expected to hit 6.671 million bales and in Sindh, it was assessed at 2.68 million bales. The crop output in Balochistan was estimated at 0.098 million bales as these areas have faced high temperature in critical stages of development. Also, severe attack of pink bollworm both in Punjab and Sindh, white fly attack and lower cottonseed prices with rising input costs were the key elements impacting cotton production.

Vietnam imported 104.1 thousand tons of cotton in Nov'19, down 0.2% year on year and 2.9% month on month. In Jan-Nov, 2019, cotton imports totaled 1.351 million tons, down 6% year on year. Based on current growth rate, the imports may total 1.463 million tons in 2019, a fall of 93 thousand tons from 2018. Vietnam imported 104.1kt of cotton in Nov, 2019, down 0.2% year on year and 2.9% month on month. In Jan-Nov, 2019, cotton imports totaled 1.351 million tons, down 6% year on year.

The trade agreement announced Friday leaves hope a meaningful agreement can be signed. The impact on cotton is not yet known. The US presidential comments were that China would be buying 50 billion USD of agriculture products, and they had already started buying, which was a reference to the recent soybean purchases. Regarding cotton, no details are known as to whether cotton is receiving a mention specifically in any agreement. The USDA in its earlier December forecast had estimated slightly lower crop in US 2019-20 cotton production at 20.2 million bales instead of 20.8 million bales as estimated in November.

According to the latest USDA report, Pakistan -800,000 bales to 2.50 million US bales in 2019-20. Several changes in world trade were noted, with imports increased for Pakistan, India, and Turkey, with reductions in China and Vietnam. Imports in Pakistan are estimated to increase to 4.20 million US bales compared to 2.85 million bales in 2018-19. Untimely rains in some parts of country damaged the cotton crop, keeping ginners under pressure owing to huge losses. Total of 7.44 million bales of cotton have been arrived on 1st Dec'19 in 2019-20 season.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Dec	60	19290	19840	19220	19270	16	-464	203	-1960
20-Jan	0	19790	19840	19760	19780	597	230	4548	3265
20-Feb	0	20040	20080	20030	20040	233	-575	1088	-452

Spread	19-Nov	19-Dec	20-Jan	20-Feb	--	--
Spot	-				-	-
19-Dec	-	0	-	-	-	-
20-Jan	-	-	-240	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 9th Jan @ 5.30 pm

* Updated at as on 09-Jan- 2019 @ 5:00 PM



DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	9-Jan-20	8-Jan-20	
Gujarat	Ahmedabad	Shankar-6	5625	5625	Unch
	Gondal	Shankar-6	5530	5505	25
	Rajkot	B.T. Cotton	5525	5500	25
	Patan	B.T. Cotton	5500	5535	-35
	Kadi	B.T. Cotton	5500	5500	Unch
	Deesa	B.T. Cotton	4775	5000	-225
	Dhrol	B.T. Cotton	5505	5495	10
Haryana	Bhiwani	B.T. Cotton	5460	5450	10
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5320	5270	50
	Fatehabad	B.T. Cotton	5340	5250	90
	Jind	B.T. Cotton	5400	5350	50
	Uchana	B.T. Cotton	5150	NA	-
	Dabwali	B.T. Cotton	5450	5450	Unch
Rajasthan	Hanumangarh	B.T. Cotton	5400	NA	-
	Rawatsar	B.T. Cotton	5360	5225	135
Madhya Pradesh	Khandwa	Mech-1	5300	5400	-100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5200	5250	-50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5459	-
	Hubli	D.C.H.	5400	5400	Unch
	Hubli	B.T. Cotton	6950	6950	Unch
	Raichur	H-44 Cotton	5300	5250	50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Jan-20	8-Jan-20	
Punjab	Bhatinda	J-34	4080	4080	Unch
	Abohar	J-34	4090	4090	Unch
	Mansa	J-34	4075	4070	5
Haryana	Sirsa	J-34	4050	4050	Unch
Rajasthan	Sri-Ganganagar	J-34	3713	3713	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Jan-20	8-Jan-20	
Gujarat	Ahmedabad	Shankar-6	79900	79900	Unch
	Gondal	Shankar-6	1800	2496	-696
	Rajkot	B.T. Cotton	4650	4600	50
	Patan	B.T. Cotton	4773	5590	-817
	Kadi	B.T. Cotton	60000	60000	Unch
	Deesa	B.T. Cotton	100	250	-150
	Dhrol	B.T. Cotton	387	667	-280
Haryana	Bhiwani	B.T. Cotton	2000	500	1500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1190	680	510
	Fatehabad	B.T. Cotton	300	125	175
	Jind	B.T. Cotton	520	502	19
	Uchana	B.T. Cotton	150	NA	-
	Dabwali	B.T. Cotton	450	600	-150
Rajasthan	Hanumangarh	B.T. Cotton	1000	NA	-
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	3500	500	3000
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	18000	8000	10000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	3628	-
	Hubli	D.C.H.	520	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	3435	3323	112
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-Jan-20	8-Jan-20	
Punjab	Bhatinda	J-34	3400	850	2550
	Abohar	J-34	850	NA	-
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	510	340	170
Rajasthan	Sri-Ganganagar	J-34	2000	2000	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	9-Jan-20	8-Jan-20	
Gujarat	Rajkot	Rs. /10 Kg.	910	900	10
Delhi	New Delhi	Rs. /10 Kg.	870	853	17
Telangana	Hyderabad	Rs. /10 Kg.	900	875	25
Maharashtra	Mumbai	Rs. /10 Kg.	900	910	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	9-Jan-20	8-Jan-20	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2134	2099	35
Maharashtra	Akola	Rs./Qtl	2149	2128	21

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				8-Jan-20	7-Jan-20	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	36700	36700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37200	37200	Unch
J-34(202)	26mm	3.5 - 4.9	23	38500	38700	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39100	39200	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	39400	39500	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39900	40000	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39800	39900	-100
DCH-32(107)	34mm	3.0 - 3.8	33	40200	40200	Unch

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

Index	Unit	9-Jan-20	8-Jan-20	Change
CCIndex(328)	RMB/Ton	13815	13806	9
CCIndex(527)	RMB/Ton	12896	12895	1
CCIndex(229)	RMB/Ton	14098	14093	5
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	9-Jan-20	8-Jan-20	Change
FC Index (S)	Cents/lb	83.62	83.62	Unch

FC Index (M)	Cents/lb	79.53	79.53	Unch
FC Index (L)	Cents/lb	78.37	78.37	Unch

Cotlook Index:

Cotlook Indices	Unit	8-Jan-20	7-Jan-20	Change
A-Index	Cents/Pound	78.5	78.75	-0.25

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		8-Jan-20	8-Jan-20	Bales
Southeast	cents/lb.	68.71	70.96	2147
North Delta	cents/lb.	67.21	69.46	0
South Delta	cents/lb.	67.21	69.46	0
East TX-OK	cents/lb.	64.71	66.96	3167
West Texas	cents/lb.	64.71	67.21	6919
Desert SW	cents/lb.	62.71	66.71	300
SJ Valley	cents/lb.	63.21	72.11	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 08-Jan-2019

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8900	160	9060
Equivalent	40 Kgs	9538	171	9709

Daily Futures Price Listing Wed January 08, 2020

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
20-Mar	200108	69.69	70.04	69.05	69.96	0.13	21,680	126,009	1,565
20-May	200108	70.77	71.17	70.22	71.1	0.13	7,501	51,571	345
20-Jul	200108	71.45	72.11	71.15	72.04	0.2	3,022	23,846	867
20-Oct	200108	72.29	72.29	72.29	72.29	0.02	1	14	0
20-Dec	200108	70.92	71.6	70.92	71.54	-0.03	1,966	29,166	377
21-Mar	200108	71.65	72	71.65	71.96	-0.16	212	1,575	124
Total Volume and Open Interest							34,472	233,178	3,305

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