

Prices

The market has been absorbing yesterday's triple-digit fall in ICE futures, and New York's continued downward trajectory in early trading today. Many mills have remained on the sidelines in hope of a more stable price appearance. The drop was attributed by observers to various

factors including persistent fears regarding the spread of coronavirus, as well as anticipation in some market circles that US sales to China were going to be much heavier than those registered in yesterday's report (in the event the net addition to current season Chinese commitments was considerable, at almost 110,000 running bales, but ostensibly failed to meet some expectations).

Pockets of demand have been evident from those consuming markets in need of cover, for cotton available nearby. Enquiry continues to be directed mainly towards lower grade lots and 'recaps', on price considerations. Bangladesh has bought some Brazilian lint. African Franc Zone cotton also found buyers. Sporadic demand has been witnessed from Indonesia, but generally Far Eastern markets have remained very quiet.

COTLOOK INDICES		31-Jan
US cents per lb CFR main Far Eastern ports		
Cotlook 2019/2020 A Index:	78.15	-1.00
Indian medium grade	74.25	
Brazilian	79.00	
Memphis/Orleans/Texas	79.00	
Ivory Coast BEMA	79.25	
Burkina Faso RUDY	79.25	

India

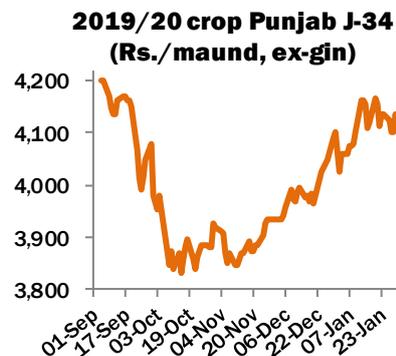
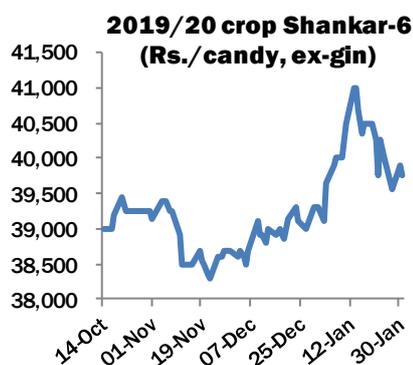
Local prices

Local prices for raw cotton have fallen back today.

Shankar 6 is offered at an average of ₹39,750 per candy, ex-gin (approximately 71.00 US cents per lb) and Punjab J-34 at ₹4,115 per

maund (70.05 cents per lb).

Price movements on the MCX platform were mixed on Thursday, with the expiring January contract showing the greatest loss. Turnover was lower at 1,050 lots (26,250 bales).



MCX January 30, 2020								
	Previous close	Open	High	Low	Close	Change	Volume	Open Interest
	rupees per 170 kilo bale						(lots of 25 bales)	
31-Jan-20	19,360	19,220	19,280	19,180	19,220	-140	62	606
28-Feb-20	19,520	19,460	19,590	19,440	19,480	-40	883	6,402
31-Mar-20	19,810	19,760	19,850	19,730	19,840	30	96	1,104
30-Apr-20	20,170	20,060	20,100	20,060	20,080	-90	9	54
29-May-20	20,340	-	-	-	20,340	-	-	1
30-Jun-20	19,600	-	-	-	19,600	-	-	-

So far today the active contracts have fallen in value. By 19.15 IST, February had last traded at ₹19,400 per bale (₹40,583 per candy), ₹80 lower than at last night's close.

Seed cotton arrivals

Today's private estimate of arrivals is 232,000 lint equivalent bales, including 58,000 from Maharashtra, 51,000 from Gujarat, and 50,000 from Telangana.

Pakistan

Domestic cotton rates weaker

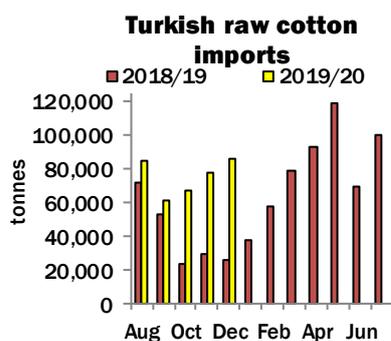
Bearish conditions have prevailed in the local cotton market. Recent weakness in New York futures, together with very subdued mill buying interest have added some downward pressure on prices. However, those ginners carrying desirable better grade stocks have resisted weaker prices, whereas those carrying lower quality lots have been keen to liquidate their stocks.

Most of the limited business for Sindh and Punjab cotton has been reported around Rs. 8,300/9,200 per maund (roughly 65.00/72.15 US cents per lb), ex-gin, depending on quality.

Turkey: December raw cotton imports

Raw cotton imports in December amounted to 86,669 tonnes, the highest monthly total of the season so far. The figure is far above the 26,053 tonnes recorded in December 2018, at which point import volumes were still depressed by the effects of the financial crisis that beset the country during the second half of that year.

The cumulative total for the first five months of the marketing year amounts to 377,444 tonnes, versus 204,351 tonnes during the same period a year earlier.



The major sources of supply in December were Greece (31,234 tonnes), Central Asia (24,606) and Brazil (19,436). For a second successive month, arrivals from the United States were uncharacteristically modest, at 6,948 tonnes.

US cotton was nonetheless the largest provenance during the first five months of the season, accounting for about one third of imports, against 47 percent during the whole of 2018/19.

Cotlook forecasts				
(In thousands of tonnes)				
	2018/19		2019/20	
		Change on week		Change on week
Production:				
World	25,484	-1	26,020	21
Chad	7	-1	71	21
Consumption:				
World	25,311	Unch	25,510	50
Vietnam	1,500	-	1,450	50
Net change in world stocks:	+172		+510	
Cotlook Yarn Index				
This week	119.76	Last month	118.44	
Last week	119.76	Last year	124.67	