

## Domestic Fundamentals:

**Market Outlook:** Cotton spot markets mostly noticed firm tone on Wednesday.

**In The News:** According to the official figures, cotton has been sown on 118.14 lakh hectares as on August 18, 2017 across the country compared to 101.54 lakh hectares during the same period previous year.

On the back of favorable weather conditions and lucrative expected returns, rating agency, ICRA projected India to produce 36 million bales of cotton in 2018, up by 6 per cent from the previous year.

The Cotton Association of India projected India's cotton export to decline by 17% to 6 million bales in 2016- 17 due to the appreciation of Indian rupee this year, which makes the Indian cotton less lucrative for the foreign importers.

Provided a normal monsoon this year, the Cotton Association of India projected india's cotton production to rise by 11.4% from 34.1 million bales in 2016-17 to 38 million bales in 2017-18

The Indian govt. had increased cotton MSP (Minimum Support Price) for long staple cotton from Rs 4,160/quintal in 2016-17 to Rs 4,320/quintal in 2017-18.

As per the latest report published by USDA, India is expected to produce 6.09 million Tonnes of cotton in 2017-18 which is 5.7% higher than the cotton produced last year in 2016-17.

The sale of cotton seeds has picked up with sowing going on in full swing in the states of Punjab, Haryana, Rajasthan and some parts of Karnataka. According to the National Seeds Association of India (NSAI), cotton seed sales are likely to cross 5.5 to 6.5 lakh packs ( each of 450 gms) this season.

Farmers are likely to increase the area under cotton amid expectation of good monsoon this season and higher price of cotton during the previous season, farmers. According to initial projections by the Central Institute of Cotton Research, Nagpur, the cotton area sown would be around 6 lakh hectares in Haryana (compared to 4.98 lakh hectares during 2016-17) and 4 lakh hectare in Punjab (compared to 2.56 lakh hectares in 2016-17).

The Indian Council of Agricultural Research (ICAR)- Central Institute of Cotton Resarch (CICR) predicted India's cotton acreage area to rise by 7-10 per cent this year (2017-18) from 105 lakh hectares of land brought under cotton cultivation last year i.e. 2016-17.

The govt. of India targeted a cotton crop production of 14.40 million bales in 2017-18 compared to the target of 14.1 million bales of production in 2016-17.

### International Fundamentals:

On the back of a favorable weather condition , increased acreage and yield; the Chinese govt. forecasted the country to produce 5.28 MT of cotton in 2017-18. Alongwith it, cotton consumption by the country is also projected to lie at 7.9 MT during 2017-18.

As per the latest USDA report, global cotton production is expected to rise by 8.25% from 23.08 million tonnes in 2016-17 to 24.98 million tonnes in 2017-18; wherein China, U.S , Pakistan and Brazil are expected to produce 5.23 million tonnes, 4.18 million tonnes, 2.03 million tonnes and 1.52 million tonnes of cotton respectively in 2017-18.

According to the Cotton Board of Zambia, it is likely to produce 117,000 tonnes of cotton this year compared to 116,000 tonnes in the previous year. Though the number of farmers cultivating cotton declined by over 20,000 from 277,560, production increased amid favourable weather in the growing regions.

According to the latest report published by International Cotton Advisory Committee (ICAC), world's cotton area is likely to increase by 5% to 30.8 million hectares in 2017-18. A higher cotton price in China and a stable cotton policy there, the area under cotton cultivation is expected to increase by 3% to 2.9 million hectares while cotton production is expected to increase by 1% to 4.8 million tonnes in 2017-18. While, U.S is expected to increase its cotton acreage area by 12% this year to 4.3 million hectares and its production is expected to lie somewhat around at 4 million tonnes.

On the other hand, as per the same report issued by ICAC; world cotton use is expected to increase by 2% to 24.6 million tonnes in 2017-18. Cotton use in China, which is amongst the largest consumer, is projected to increase by 1% to 7.7 million tonnes in 2017-18.

#### NCDEX Kapas Futures\*: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	0.00	864.00	869.00	863.00	864.50	1,184	-1,060	6415	-121

Spread	Cont (C1)								
Spot	209.5				-		-		
	-				-		-		

Updated at 05:00 pm as on 22-Aug 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	+90.00	18180.00	18380.00	18180.00	18180.00	530	-153	2181	-20
Nov-17	+60.00	17780.00	17900.00	17760.00	17740.00	64	-60	1017	68

Spread	Oct-17	Nov-17	-	-	--	--
Spot		440	-	-	-	-
Oct-17			-	-	-	-

(NB: Spread Basis = Spot- Near Month Future)

\* Updated at 05:00 pm as on 22-Aug 2017

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	23-Aug-17	22-Aug-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5255	4855	400
	Rajkot	B.T. Cotton	NA	NA	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4500	4400	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4300	4300	Unch
	Hathras	Desi	4200	4200	Unch
Telangana	Adilabad	Un-Ginned	4500	4550	-50
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	5200	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Aug-17	22-Aug-17	
Punjab	Bhatinda	J-34	4440	4420	20
	Abohar	J-34	4440	4425	15
	Mansa	J-34	NA	NA	-

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4450	4430	20
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Aug-17	22-Aug-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	90	8	82
	Rajkot	B.T. Cotton	NA	NA	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	1500	1200	300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
<b>Maharashtra</b>	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	450	250	200
	Hathras	Desi	150	100	50
<b>Telangana</b>	Adilabad	Un-Ginned	NA	NA	-
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Aug-17	22-Aug-17	

<b>Punjab</b>	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
<b>Haryana</b>	Sirsa	J-34	NA	NA	-
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				22-Aug-17	21-Aug-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34600	34900	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35600	35900	-300
J-34(202)	26mm	3.5 - 4.9	23	41800	41700	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40900	40900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	42200	42200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43900	43900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45600	45600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	53000	53000	Unch

**Cotton Seed Oil Prices**
**Refined Cotton Seed Oil at Key Centers:**

Centre	Unit	Price		Change
		23-Aug-17	22-Aug-17	
Rajkot	Rs. /10 Kg.	680	680	Unch
New Delhi	Rs. /10 Kg.	675	675	Unch
Hyderabad	Rs. /10 Kg.	645	645	Unch
Mumbai	Rs. /10 Kg.	695	690	5

**Cotton Seed Oil Seed Cake Prices**
**Cotton Seed Oil Cake Prices at Key Centers:**

Centre	Unit	Price		Change
		23-Aug-17	22-Aug-17	
Mahesana (Kadi)	Rs./Qtl	1673	1684	-11
Akola	Rs./Qtl	1570	1571	-1

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 23-August-2017**

Index	RMB/Ton	Change
CCIndex(328)	15909	1
CCIndex(527)	14854	3
CCIndex(229)	16352	Unch

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

**China Foreign Cotton (FCE) Index : As on 23-August-2017**

Index	Cents/lb	Change
FC Index (S)	Unq	-
FC Index (M)	Unq	-
FC Index (L)	Unq	-

**Cotlook Index: As on 22-August-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	77.90	0.25

**USDA Cotton Spot Rates: As on 22-August-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	68.13	69.38	NIL
North Delta	67.38	68.63	NIL
South Delta	67.38	68.63	NIL
East TX-OK	68.50	70.00	156
West Texas	68.50	70.00	NIL
Desert SW	63.38	67.38	NIL
SJ Valley	64.38	73.28	NIL

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

**ICE Cotton Futures (Prices in cents/lb.): As on 22-August-2017**

Contract	Open	High	Low	Close	Change
Oct-17	68.76	69.07	68.76	68.88	0.17
Dec-17	67.43	67.94	67.35	67.81	0.25
Mar-18	67.09	67.66	67.09	67.46	0.16
May-18	68.19	68.29	67.79	68.01	0.11
Jul-18	68.79	68.92	68.43	68.60	0.09
Oct-18	67.63	67.63	67.63	67.63	0.06

**Pakistan Cotton Spot rates: As on 22-August-2017**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6000	145	6145
Equivalent	40 Kgs	6430	155	6585

**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 © 2017 Indian Agribusiness Systems Pvt. Ltd.