

## sDomestic Fundamentals:

**Market Outlook:** Cotton spot markets mostly noticed weak tone on Thursday.

**In The News:** According to the official figures, cotton has been sown on 119.67 lakh hectares as on August 25, 2017 across the country compared to 102.54 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)	-6.50	876.00	876.00	865.50	875.5	2,343	365	6332	-115

Spread	Cont (C1)							
Spot	168.50				-		-	
	-				-		-	

Updated at 05:00 pm as on 31-Aug 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-150.00	18700.00	18700.00	18510.00	18720.00	664	156	2272	13
Nov-17	-100.00	18220.00	18250.00	18120.00	18260.00	150	33	1339	53

Spread	Oct-17	Nov-17	-	-	--	--
Spot		460	-	-	-	-
Oct-17			-	-	-	-

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

\* Updated at 05:00 pm as on 31-Aug 2017

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	31-Aug-17	30-Aug-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	5130	-
	Rajkot	B.T. Cotton	5220	NA	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4710	4710	Unch
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4400	4400	Unch
	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	4500	4550	-50
	Hathras	Desi	4300	4300	Unch
Telangana	Adilabad	Un-Ginned	4500	4500	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5579	5581	-2
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5319	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	31-Aug-17	30-Aug-17	
Punjab	Bhatinda	J-34	4350	4430	-80
	Abohar	J-34	4400	4430	-30

	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4400	4450	<b>-50</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	31-Aug-17	30-Aug-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	108	-
	Rajkot	B.T. Cotton	190	NA	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1	5	<b>-4</b>
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	5000	3500	<b>1500</b>
	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	150	450	<b>-300</b>
	Hathras	Desi	40	200	<b>-160</b>
<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	680	871	<b>-191</b>
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	NA	-
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>

State	Centre	Variety	31-Aug-17	30-Aug-17	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	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
				30-Aug-17	29-Aug-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33700	33700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34700	34700	Unch
J-34(202)	26mm	3.5 - 4.9	23	41800	42100	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41100	41000	100
Shankar-6(105)	29mm	3.5 - 4.9	28	42300	42200	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44100	44100	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46000	46000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	54000	54000	Unch

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

Centre	Unit	Price		Change
		31-Aug-17	30-Aug-17	
Rajkot	Rs. /10 Kg.	650	650	Unch
New Delhi	Rs. /10 Kg.	660	660	Unch
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	685	NA	-

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

Centre	Unit	Price		Change
		31-Aug-17	30-Aug-17	
Mahesana (Kadi)	Rs./Qtl	1674	1676	-2
Akola	Rs./Qtl	1568	1567	1

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 31-August-2017**

Index	RMB/Ton	Change
CCIndex(328)	15916	Unch
CCIndex(527)	14862	2

CCIndex(229)	16360	1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 31-August-2017**

Index	Cents/lb	Change
FC Index (S)	89.58	0.66
FC Index (M)	87.07	0.69
FC Index (L)	84.70	0.72

**Cotlook Index: As on 30-August-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	80.30	0.25

**USDA Cotton Spot Rates: As on 30-August-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	71.47	72.72	NIL
North Delta	70.72	71.97	NIL
South Delta	70.72	71.97	NIL
East TX-OK	72.50	74.00	790
West Texas	72.00	73.50	NIL
Desert SW	65.97	69.97	NIL
SJ Valley	66.97	75.87	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 30-August-2017**

Contract	Open	High	Low	Close	Change
Oct-17	70.85	71.52	70.85	71.47	0.91
Dec-17	70.00	70.94	69.84	70.85	0.87
Mar-18	69.39	70.07	69.29	69.98	0.60
May-18	69.87	70.50	69.87	70.46	0.58
Jul-18	70.26	70.82	70.24	70.80	0.56
Oct-18	69.53	69.53	69.53	69.53	0.50

**Pakistan Cotton Spot rates: As on 30-August-2017**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5900	145	6045

Equivalent	40 Kgs	6323	155	6478
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#### Disclaimer

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