

## Domestic Fundamentals:

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

**In The News:** According to the official figures, cotton has been sown on 119.88 lakh hectares as on September 01, 2017 across the country compared to 101.72 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 Research (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
<b>Cont. (C1)</b>	-9.50	891.00	892.00	882.50	895.00	2,980	-928	6729	312

<b>Spread</b>	<b>Cont (C1)</b>		
<b>Spot</b>	149	-	-
	-	-	-

Updated at 05:00 pm as on 07-Sep 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Oct-17</b>	-230.00	19320.00	19330.00	19100.00	19410.00	718	-495	2607	-91
<b>Nov-17</b>	-280.00	18940.00	18940.00	18760.00	19070.00	258	-232	1901	31

<b>Spread</b>	<b>Oct-17</b>	<b>Nov-17</b>	-	-	--	--
<b>Spot</b>		340	-	-	-	-
<b>Oct-17</b>			-	-	-	-

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

\* Updated at 05:00 pm as on 07-Sep 2017

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	7-Sep-17	6-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5155	5180	-25
	Rajkot	B.T. Cotton	5160	5140	20
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4250	4545	-295
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4450	4430	20
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4500	4475	25
	Fatehabad	B.T. Cotton	4425	Closed	-
	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	4500	Unch
	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	5470	5489	-19
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5350	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	7-Sep-17	6-Sep-17	
Punjab	Bhatinda	J-34	4180	4180	Unch
	Abohar	J-34	4180	4180	Unch

	Mansa	J-34	4180	4180	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4180	4190	-10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	7-Sep-17	6-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	205	288	-83
	Rajkot	B.T. Cotton	870	905	-35
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	7	4	3
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4000	4500	-500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	NA	Closed	-
	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	250	250	Unch
	Hathras	Desi	150	125	25
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	629	366	263
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	7	NA	-
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	7-Sep-17	6-Sep-17	
Punjab	Bhatinda	J-34	340	850	-510
	Abohar	J-34	119	170	-51
	Mansa	J-34	170	255	-85
Haryana	Sirsa	J-34	34	17	17
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
				6-Sep-17	4-Sep-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	40800	40800	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41000	40900	200
Shankar-6(105)	29mm	3.5 - 4.9	28	42200	42100	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	54500	54500	Unch

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

Centre	Unit	Price		Change
		7-Sep-17	6-Sep-17	
Rajkot	Rs. /10 Kg.	645	655	-10
New Delhi	Rs. /10 Kg.	655	660	-5
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	680	685	-5

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

Centre	Unit	Price		Change
		7-Sep-17	6-Sep-17	
Mahesana (Kadi)	Rs./Qtl	1626	1634	-8
Akola	Rs./Qtl	1543	1555	-12

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 7-September-2017**

Index	RMB/Ton	Change
CCIndex(328)	15939	1
CCIndex(527)	14874	Unch
CCIndex(229)	16376	1

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

**China Foreign Cotton (FCE) Index : As on 7-September-2017**

Index	Cents/lb	Change
FC Index (S)	88.18	-0.41
FC Index (M)	83.18	-0.47
FC Index (L)	82.27	-0.24

**Cotlook Index: As on 6-September-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	84.70	2.80

**USDA Cotton Spot Rates: As on 6-September-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	75.26	76.51	NIL
North Delta	74.51	75.76	26
South Delta	74.51	75.76	NIL
East TX-OK	75.00	76.50	4695
West Texas	74.50	76.00	NIL
Desert SW	69.76	73.76	NIL
SJ Valley	70.76	79.66	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 6-September-2017**

Contract	Open	High	Low	Close	Change
Oct-17	75.79	75.79	75.00	75.26	Unch
Dec-17	75.00	75.65	74.04	74.50	-0.38
Mar-18	73.55	73.83	72.58	73.24	-0.37
May-18	73.72	74.04	72.93	73.47	-0.31
Jul-18	73.77	74.18	73.16	73.56	-0.25
Oct-18	71.26	71.26	71.26	71.26	-0.37

**Pakistan Cotton Spot rates: As on 5-September-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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