

Domestic Fundamentals:

Market Outlook: Mixed tone featured in cotton spot markets on Tuesday.

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 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:

According to the latest report published by International Cotton Advisory Committee (ICAC), world's cotton area is likely to increase by 9% to 31.9 million hectares in 2017-18.

ICAC also projected global cotton production to rise by 9% from 23.07 million tonnes in 2016-17 to 25.14 million tonnes in 2017-18. Wherein, China, U.S and Pakistan are projected to produce 5.2 million tonnes, 4.5 million tonnes and 2 million tonnes of cotton respectively.

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.

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)	-6.5	871	871.5	866	867	2319	287	7311	479
Spread	Cont (C1)								
Spot	152				-		-		
	-				-		-		

Updated at 05:25 pm as on 12-Sep 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-270	18770	18790	18550	18560	620	225	2704	195
Nov-17	-260	18470	18500	18290	18290	371	235	1977	73
Spread	Oct-17	Nov-17	-		-	-	--	--	
Spot	270				-	-	-	-	
Oct-17					-	-	-	-	

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

* Updated at 05:25 pm as on 12-Sep 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Sep-17	11-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5080	5130	-50
	Rajkot	B.T. Cotton	5095	5130	-35
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4715	4450	265
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4425	4450	-25
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4530	4550	-20
	Fatehabad	B.T. Cotton	4470	4560	-90
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4660	4570	90
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4070	4150	-80
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4650	4450	200
	Hathras	Desi	4400	4150	250
Telangana	Adilabad	Un-Ginned	4550	4500	50
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	NA	5450	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5209	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	12-Sep-17	11-Sep-17	
Punjab	Bhatinda	J-34	4175	4185	-10
	Abohar	J-34	4180	4190	-10
	Mansa	J-34	4180	4190	-10

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4140	4190	-50
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Sep-17	11-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	174	1089	-915
	Rajkot	B.T. Cotton	1050	870	180
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	14	7	7
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	6000	3000	3000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	510	1488	-978
	Fatehabad	B.T. Cotton	400	350	50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	80	15	65
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	3950	3500	450
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	450	250	200
	Hathras	Desi	150	60	90
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	NA	990	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	52	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	12-Sep-17	11-Sep-17	

Punjab	Bhatinda	J-34	2040	1700	340
	Abohar	J-34	765	680	85
	Mansa	J-34	170	128	43
Haryana	Sirsa	J-34	255	170	85
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
				11-Sep-17	9-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	39800	40000	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40700	40900	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	41900	42100	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43900	44100	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45800	46000	-200
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
		12-Sep-17	11-Sep-17	
Rajkot	Rs. /10 Kg.	650	650	Unch
New Delhi	Rs. /10 Kg.	640	640	Unch
Hyderabad	Rs. /10 Kg.	660	660	Unch
Mumbai	Rs. /10 Kg.	680	680	Unch

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

Centre	Unit	Price		Change
		12-Sep-17	11-Sep-17	
Mahesana (Kadi)	Rs./Qtl	1593	1605	-12
Akola	Rs./Qtl	1507	1512	-5

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 11-September-2017

Index	RMB/Ton	Change
-------	---------	--------

CCIndex(328)	15949	1
CCIndex(527)	14882	1
CCIndex(229)	16389	4
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 12-September-2017

Index	Cents/lb	Change
FC Index (S)	86.54	-1.83
FC Index (M)	81.61	-1.58
FC Index (L)	80.40	-1.92

Cotlook Index: As on 11-September-2017

Cotlook Indices	Cents/Pound	Change
A-Index	84.40	0.35

USDA Cotton Spot Rates: As on 11-September-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	73.71	74.96	NIL
North Delta	72.96	74.21	NIL
South Delta	72.96	74.21	NIL
East TX-OK	73.00	74.50	765
West Texas	72.50	74.00	NIL
Desert SW	68.21	72.21	NIL
SJ Valley	69.21	78.11	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 11-September-2017

Contract	Open	High	Low	Close	Change
Oct-17	75.57	75.57	72.59	73.71	-1.88
Dec-17	75.37	75.45	71.59	72.11	-2.48
Mar-18	73.40	74.20	70.50	71.47	-1.94
May-18	74.25	74.27	71.10	71.76	-1.91
Jul-18	74.50	74.50	71.26	71.90	-1.99
Oct-18	69.68	69.68	69.68	69.68	-1.82

Pakistan Cotton Spot rates: As on 11-September-2017

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6150	145	6295
Equivalent	40 Kgs	6591	155	6746

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.