

## Domestic 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 119.88 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:

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)	+1.50	868.00	869.50	864.00	865.00	1,840	-192	7613	781

Spread	Cont (C1)		
Spot	154	-	-
	-	-	-

Updated at 05:00 pm as on 14-Sep 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	+90.00	18380.00	18500.00	18380.00	18350.00	452	57	2928	419
Nov-17	+60.00	18100.00	18180.00	18060.00	18040.00	270	134	1593	-311

Spread	Oct-17	Nov-17	-	-	--	--
Spot		310		-	-	-
Oct-17				-	-	-

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

\* Updated at 05:00 pm as on 14-Sep 2017

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Sep-17	13-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5080	5080	Unch
	Rajkot	B.T. Cotton	5095	5095	Unch
	Patan	B.T. Cotton	4655	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	4450	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4350	4400	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4350	4400	-50
	Fatehabad	B.T. Cotton	4450	Closed	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4550	4590	-40
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4000	4075	-75
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4650	4600	50
	Hathras	Desi	4450	4500	-50
Telangana	Adilabad	Un-Ginned	4500	4550	-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	5456	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5060	NA	-
Commodity	Lint		Prices (Rs./Mound)		Change
State	Centre	Variety	14-Sep-17	13-Sep-17	
Punjab	Bhatinda	J-34	4055	4060	-5
	Abohar	J-34	4065	4065	Unch

	Mansa	J-34	4050	4060	-10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4060	4050	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Sep-17	13-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	198	342	-144
	Rajkot	B.T. Cotton	625	665	-40
	Patan	B.T. Cotton	5756	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	7	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	6000	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	1190	-340
	Fatehabad	B.T. Cotton	300	Closed	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	30	35	-5
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4210	3125	1085
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	350	250	100
	Hathras	Desi	150	150	Unch
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	960	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	10	NA	-

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	14-Sep-17	13-Sep-17	
Punjab	Bhatinda	J-34	2550	2550	Unch
	Abohar	J-34	510	680	-170
	Mansa	J-34	255	255	Unch
Haryana	Sirsa	J-34	510	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
				13-Sep-17	12-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	39400	39700	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40300	40600	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	41500	41800	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43600	43800	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45500	45700	-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
		14-Sep-17	13-Sep-17	
Rajkot	Rs. /10 Kg.	660	655	5
New Delhi	Rs. /10 Kg.	650	640	10
Hyderabad	Rs. /10 Kg.	670	660	10
Mumbai	Rs. /10 Kg.	685	680	5

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

Centre	Unit	Price		Change
		14-Sep-17	13-Sep-17	
Mahesana (Kadi)	Rs./Qtl	1571	1586	-15
Akola	Rs./Qtl	1498	1502	-4

**INTERNATIONAL PRICES AND INDICES**

**China Cotton Index: As on 14-September-2017**

Index	RMB/Ton	Change
CCIndex(328)	15962	5
CCIndex(527)	14905	2
CCIndex(229)	16396	3

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

**China Foreign Cotton (FCE) Index : As on 14-September-2017**

Index	Cents/lb	Change
FC Index (S)	83.39	-3.15
FC Index (M)	79.20	-2.41
FC Index (L)	77.26	-3.14

**Cotlook Index: As on 13-September-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	79.10	-3.00

**USDA Cotton Spot Rates: As on 13-September-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.98	71.23	NIL
North Delta	69.23	70.48	NIL
South Delta	69.23	70.48	NIL
East TX-OK	69.00	70.50	388
West Texas	68.50	70.00	NIL
Desert SW	64.48	68.48	NIL
SJ Valley	65.48	74.38	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.): Ason13-September-2017**

Contract	Open	High	Low	Close	Change
Oct-17	70.30	70.30	69.61	69.98	-0.73
Dec-17	68.58	69.46	68.31	69.09	-0.02
Mar-18	68.33	68.95	67.92	68.60	0.13
May-18	68.88	69.50	68.57	69.21	0.15
Jul-18	69.75	69.94	69.06	69.64	0.16
Oct-18	67.89	67.89	67.89	67.89	0.26

<b>Pakistan Cotton Spot rates: As on13-September-2017</b>				<b>(in Pakistan Rupees)</b>
<b>Product</b>	<b>Rate for</b>	<b>Ex-Gin Price</b>	<b>Up Country Sales</b>	<b>Spot Rate Karachi</b>
<b>Cotton</b>	<b>37.32 Kgs</b>	6050	145	6195
<b>Equivalent</b>	<b>40 Kgs</b>	6484	155	6639

#### Disclaimer

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