

## Domestic Fundamentals:

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

**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
<b>Cont. (C1)</b>	9.50	864.00	877.00	860.00	863.5	4,295	2,455	7095	-518

<b>Spread</b>	<b>Cont (C1)</b>		
<b>Spot</b>	155.50	-	-
	-	-	-

Updated at 05:00 pm as on 15-Sep 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Oct-17</b>	140	18350.00	18590.00	18350.00	18430.00	1,006	554	2868	-60
<b>Nov-17</b>	70	18000.00	18150.00	18000.00	18030.00	361	91	1580	-13

<b>Spread</b>	<b>Oct-17</b>	<b>Nov-17</b>	-	-	--	--
<b>Spot</b>		400	-	-	-	-
<b>Oct-17</b>			-	-	-	-

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

\* Updated at 05:00 pm as on 15-Sep 2017

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	15-Sep-17	14-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5000	5080	-80
	Rajkot	B.T. Cotton	5095	5095	Unch
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4700	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4400	4350	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4300	4350	-50
	Fatehabad	B.T. Cotton	4475	4450	25
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4550	4550	Unch
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4070	4000	70
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4750	4650	100
	Hathras	Desi	4500	4450	50
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	NA	5456	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5060	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	15-Sep-17	14-Sep-17	
Punjab	Bhatinda	J-34	4075	4055	20
	Abohar	J-34	4080	4065	15
	Mansa	J-34	4075	4050	25

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4070	4060	10
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Sep-17	14-Sep-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	298	198	100
	Rajkot	B.T. Cotton	680	625	55
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	11.5	NR	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	4000	6000	-2000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	850	Unch
	Fatehabad	B.T. Cotton	400	300	100
	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	185	30	155
	Rawatsar	B.T. Cotton	NA	NA	-
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4770	4210	560
<b>Maharashtra</b>	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	450	350	100
	Hathras	Desi	150	150	Unch
<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	960	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	10	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	15-Sep-17	14-Sep-17	

<b>Punjab</b>	Bhatinda	J-34	2550	2550	Unch
	Abohar	J-34	850	510	340
	Mansa	J-34	255	255	Unch
<b>Haryana</b>	Sirsa	J-34	510	510	Unch
<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
				14-Sep-17	13-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	39400	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40300	40300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	41500	41500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43600	43600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45500	45500	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
		15-Sep-17	14-Sep-17	
Rajkot	Rs. /10 Kg.	660	660	Unch
New Delhi	Rs. /10 Kg.	650	650	Unch
Hyderabad	Rs. /10 Kg.	670	670	Unch
Mumbai	Rs. /10 Kg.	685	685	Unch

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

Centre	Unit	Price		Change
		15-Sep-17	14-Sep-17	
Mahesana (Kadi)	Rs./Qtl	1559	1571	-12
Akola	Rs./Qtl	1484	1498	-14

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 15-September-2017**

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

CCIndex(328)	15965	3
CCIndex(527)	14905	Unch
CCIndex(229)	16401	5
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 15-September-2017**

Index	Cents/lb	Change
FC Index (S)	83.39	Unch
FC Index (M)	79.20	Unch
FC Index (L)	77.26	Unch

**Cotlook Index: As on 14-September-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	79.10	Unch

**USDA Cotton Spot Rates: As on 14-September-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.78	71.03	NIL
North Delta	69.03	70.28	NIL
South Delta	69.03	70.28	NIL
East TX-OK	69.00	70.50	321
West Texas	68.50	70.00	NIL
Desert SW	64.28	68.28	NIL
SJ Valley	65.28	74.18	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.): Ason14-September-2017**

Contract	Open	High	Low	Close	Change
Oct-17	69.86	69.86	69.02	69.78	-0.20
Dec-17	69.19	69.45	68.43	69.12	0.03
Mar-18	68.64	68.86	67.98	68.53	-0.07
May-18	69.39	69.41	68.56	69.09	-0.12
Jul-18	69.79	69.80	68.98	69.48	-0.16
Oct-18	67.95	67.95	67.95	67.95	0.06

**Pakistan Cotton Spot rates: As on 14-September-2017**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	<b>37.32 Kgs</b>	5950	145	6095
<b>Equivalent</b>	<b>40 Kgs</b>	6377	155	6532

#### 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.