

## Domestic Fundamentals:

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

**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)	-11.5	874.50	878.00	864.00	876.50	2,725	-1,570	6940	-155

Spread	Cont (C1)		
Spot	142.50	-	-
	-	-	-

Updated at 05:00 pm as on 18-Sep 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-120	18650.00	18690.00	18470.00	18610.00	464	-542	2823	-45
Nov-17	-50	18220.00	18220.00	18020.00	18120.00	185	-176	1629	49

Spread	Oct-17	Nov-17	-	-	--	--
Spot		490	-	-	-	-
Oct-17			-	-	-	-

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

\* Updated at 05:00 pm as on 18-Sep 2017

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Sep-17	16-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	4930	4955	-25
	Rajkot	B.T. Cotton	5075	5095	-20
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4525	4425	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4300	4375	-75
	Fatehabad	B.T. Cotton	4350	4480	-130
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4525	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	3700	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4700	NR	-
	Hathras	Desi	4600	NR	-
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	5120	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	18-Sep-17	16-Sep-17	
Punjab	Bhatinda	J-34	4090	4105	-15
	Abohar	J-34	4090	4110	-20
	Mansa	J-34	4080	4100	-20

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4090	4100	<b>-10</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Sep-17	16-Sep-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	171	198	<b>-27</b>
	Rajkot	B.T. Cotton	270	455	<b>-185</b>
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NA	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	5000	6000	<b>-1000</b>
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1190	850	<b>340</b>
	Fatehabad	B.T. Cotton	600	600	<b>Unch</b>
	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	175	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	2200	-
<b>Maharashtra</b>	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	500	NR	-
	Hathras	Desi	250	NR	-
<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	144	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	7	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Sep-17	16-Sep-17	

<b>Punjab</b>	Bhatinda	J-34	4250	2550	<b>1700</b>
	Abohar	J-34	2210	850	<b>1360</b>
	Mansa	J-34	680	213	<b>468</b>
<b>Haryana</b>	Sirsa	J-34	510	510	<b>Unch</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	<b>-</b>

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				16-Sep-17	15-Sep-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34000	33700	<b>300</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35000	34700	<b>300</b>
J-34(202)	26mm	3.5 - 4.9	23	39400	39400	<b>Unch</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40300	40300	<b>Unch</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	41000	41000	<b>Unch</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43600	43600	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45500	45500	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	53000	53500	<b>-500</b>

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

Centre	Unit	Price		Change
		18-Sep-17	16-Sep-17	
Rajkot	Rs. /10 Kg.	652	655	<b>-3</b>
New Delhi	Rs. /10 Kg.	640	650	<b>-10</b>
Hyderabad	Rs. /10 Kg.	655	670	<b>-15</b>
Mumbai	Rs. /10 Kg.	680	680	<b>Unch</b>

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

Centre	Unit	Price		Change
		18-Sep-17	16-Sep-17	
Mahesana (Kadi)	Rs./Qtl	1542	1555	<b>-13</b>
Akola	Rs./Qtl	1500.8	1500	<b>1</b>

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 18-September-2017**

Index	RMB/Ton	Change
CCIndex(328)	15966	<b>1</b>

CCIndex(527)	14912	7
CCIndex(229)	16402	1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 18-September-2017**

Index	Cents/lb	Change
FC Index (S)	82.88	-0.51
FC Index (M)	78.64	-0.56
FC Index (L)	76.80	-0.46

**Cotlook Index: As on 15-September-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	79.10	Unch

**USDA Cotton Spot Rates: As on 15-September-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	70.13	71.38	NIL
North Delta	69.38	70.63	NIL
South Delta	69.38	70.63	NIL
East TX-OK	69.25	70.75	208
West Texas	68.75	70.25	NIL
Desert SW	64.63	68.63	NIL
SJ Valley	65.63	74.53	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.): Ason15-September-2017**

Contract	Open	High	Low	Close	Change
Oct-17	69.95	70.26	69.95	70.13	0.35
Dec-17	69.26	69.30	68.63	69.07	-0.05
Mar-18	68.60	68.69	67.88	67.99	-0.54
May-18	69.25	69.25	68.37	68.48	-0.61
Jul-18	69.63	69.63	68.76	68.86	-0.62
Oct-18	67.33	67.33	67.33	67.33	-0.62

**Pakistan Cotton Spot rates: As on 16-September-2017**

(in Pakistan Rupees)

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

#### Disclaimer

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