

Domestic Fundamentals:

Market Outlook: Cotton spot markets mostly noticed weak tone on Wednesday.

In The News: According to the official figures, cotton has been sown on 121.51 lakh hectares as on September 15, 2017 across the country compared to 102.23 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)	0	866.00	868.00	861.00	866	1,475	-1,250	7154	214

Spread	Cont (C1)		
Spot	149.00	-	-
	-	-	-

Updated at 05:00 pm as on 19-Sep 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-40	18540.00	18650.00	18410.00	18540.00	351	-113	2844	21
Nov-17	-70	18130.00	18150.00	18060.00	18150.00	83	-102	1620	-9

Spread	Oct-17	Nov-17	-	-	--	--
Spot		390	-	-	-	-
Oct-17			-	-	-	-

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

* Updated at 05:00 pm as on 19-Sep 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	20-Sep-17	19-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NR	5005	-
	Rajkot	B.T. Cotton	5095	5075	20
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4865	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4300	4300	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4200	4300	-100
	Fatehabad	B.T. Cotton	4210	4250	-40
	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	NA	3700	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4750	4750	Unch
	Hathras	Desi	4600	4600	Unch
Telangana	Adilabad	Un-Ginned	4550	4550	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	4200	-
	Kurnool	Un-Ginned	NA	3621	-
	Krishna	Un-Ginned	NA	4285	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	5129	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4350	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	20-Sep-17	19-Sep-17	
Punjab	Bhatinda	J-34	4030	4060	-30
	Abohar	J-34	4025	4070	-45
	Mansa	J-34	4040	4065	-25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-

Haryana	Sirsa	J-34	4040	4050	-10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Sep-17	19-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NR	235	-
	Rajkot	B.T. Cotton	770	560	210
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	17	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5000	4000	1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	200	500	-300
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	87	88	-1
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	2910	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	500	-350
	Hathras	Desi	150	250	-100
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	70	-
	Kurnool	Un-Ginned	NA	61	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	113	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	75	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Sep-17	19-Sep-17	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	1190	NA	-

	Mansa	J-34	255	680	-425
Haryana	Sirsa	J-34	510	510	Unch
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
				19-Sep-17	18-Sep-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33700	34000	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34700	35000	-300
J-34(202)	26mm	3.5 - 4.9	23	38700	39200	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39700	40200	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	40400	40900	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43200	43500	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45000	45400	-400
DCH-32(107)	34mm	3.0 - 3.8	33	52500	53000	-500

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

Centre	Unit	Price		Change
		20-Sep-17	19-Sep-17	
Rajkot	Rs. /10 Kg.	650	650	Unch
New Delhi	Rs. /10 Kg.	635	640	-5
Hyderabad	Rs. /10 Kg.	660	655	5
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
		20-Sep-17	19-Sep-17	
Mahesana (Kadi)	Rs./Qtl	1499	1518	-19
Akola	Rs./Qtl	1493	1500	-7

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 20-September-2017

Index	RMB/Ton	Change
CCIndex(328)	15972	Unch
CCIndex(527)	14914	Unch
CCIndex(229)	16406	1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 20-September-2017

Index	Cents/lb	Change
FC Index (S)	83.66	0.78
FC Index (M)	79.46	0.82
FC Index (L)	77.61	0.81

Cotlook Index: As on 19-September-2017

Cotlook Indices	Cents/Pound	Change
A-Index	79.70	0.80

USDA Cotton Spot Rates: As on 19-September-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	70.02	71.27	NIL
North Delta	69.27	70.52	NIL
South Delta	69.27	70.52	NIL
East TX-OK	68.75	70.25	452
West Texas	68.25	69.75	88
Desert SW	64.02	68.02	NIL
SJ Valley	65.02	73.92	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.): Ason19-September-2017

Contract	Open	High	Low	Close	Change
Oct-17	70.69	70.94	69.98	69.98	-0.43
Dec-17	69.50	69.87	68.81	69.27	-0.23
Mar-18	68.73	69.04	68.10	68.30	-0.60
May-18	69.42	69.44	68.64	68.77	-0.54
Jul-18	69.90	69.90	69.09	69.23	-0.44
Oct-18	67.60	67.60	67.60	67.60	-0.55

Pakistan Cotton Spot rates: As on19-September-2017

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6000	145	6145
Equivalent	40 Kgs	6430	155	6585

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