

Domestic Fundamentals:

Market Outlook: Cotton spot markets noticed mixed tone on Tuesday.

In The News: In its first advance estimate, the agriculture ministry of India projected the country to produce 32.3 million bales of cotton in 2017-18 which is 2.12% lower than the cotton produced last year in 2016-17.

According to the official figures, cotton has been sown on 121.72 lakh hectares as on September 22, 2017 across the country compared to 102.56 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)	-1	864.00	870.00	863.00	866	2,441	615	7750	90

Spread	Cont (C1)		
Spot	102.00	-	-
	-	-	-

Updated at 05:00 pm as on 26-Sep 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	90	18490.00	18630.00	18490.00	18470.00	495	-121	2951	-60
Nov-17	90	18230.00	18360.00	18230.00	18200.00	351	72	2076	-22

Spread	Oct-17	Nov-17	-	-	--	--
Spot		270	-	-	-	-
Oct-17			-	-	-	-

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

* Updated at 05:00 pm as on 26-Sep 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Sep-17	25-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	4830	4830	Unch
	Rajkot	B.T. Cotton	4840	4910	-70
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4250	4225	25
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4215	4225	-10
	Fatehabad	B.T. Cotton	4300	4260	40
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4450	4350	100
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4470	4060	410
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	4750	4850	-100
	Hathras	Desi	4600	4600	Unch
Telangana	Adilabad	Un-Ginned	4450	4550	-100
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4009	4009	Unch
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	5129	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4355	4339	16
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Sep-17	25-Sep-17	
Punjab	Bhatinda	J-34	3900	3890	10
	Abohar	J-34	3900	3880	20

	Mansa	J-34	3890	3890	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3900	3890	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Sep-17	25-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	221	120	101
	Rajkot	B.T. Cotton	570	695	-125
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	7000	5000	2000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1000	1190	-190
	Fatehabad	B.T. Cotton	800	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	2500	2500	Unch
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	8800	5170	3630
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	350	-200
	Hathras	Desi	150	175	-25
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	123	6	117
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	154	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	300	412	-112
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	26-Sep-17	25-Sep-17	
Punjab	Bhatinda	J-34	7650	6800	850
	Abohar	J-34	2210	2040	170
	Mansa	J-34	850	680	170
Haryana	Sirsa	J-34	1360	1020	340
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
				25-Sep-17	23-Sep-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33200	33600	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34200	34600	-400
J-34(202)	26mm	3.5 - 4.9	23	36600	37100	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38100	38900	-800
Shankar-6(105)	29mm	3.5 - 4.9	28	39200	40000	-800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41500	42500	-1000
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43400	44400	-1000
DCH-32(107)	34mm	3.0 - 3.8	33	52000	52000	Unch

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

Centre	Unit	Price		Change
		26-Sep-17	25-Sep-17	
Rajkot	Rs. /10 Kg.	655	660	-5
New Delhi	Rs. /10 Kg.	635	638	-3
Hyderabad	Rs. /10 Kg.	645	645	Unch
Mumbai	Rs. /10 Kg.	678	680	-2

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

Centre	Unit	Price		Change
		26-Sep-17	25-Sep-17	
Mahesana (Kadi)	Rs./Qtl	1376	1373.6	2
Akola	Rs./Qtl	1428	1437.9	-10

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 26-September-2017

Index	RMB/Ton	Change
CCIndex(328)	15991	Unch
CCIndex(527)	14937	Unch

CCIndex(229)	16432	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 26-September-2017

Index	Cents/lb	Change
FC Index (S)	83.50	0.88
FC Index (M)	79.28	0.84
FC Index (L)	77.71	0.97

Cotlook Index: As on 25-September-2017

Cotlook Indices	Cents/Pound	Change
A-Index	78.70	0.15

USDA Cotton Spot Rates: As on 25-September-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	70.21	71.46	NIL
North Delta	69.46	70.71	NIL
South Delta	69.46	70.71	NIL
East TX-OK	68.50	70.00	827
West Texas	68.00	69.50	NIL
Desert SW	64.21	68.21	NIL
SJ Valley	65.21	74.11	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.): Ason25-September-2017

Contract	Open	High	Low	Close	Change
Oct-17	70.09	70.09	70.09	70.09	1.00
Dec-17	68.65	69.55	68.33	69.46	1.00
Mar-18	67.76	68.61	67.47	68.54	0.96
May-18	68.40	69.14	68.05	69.06	0.90
Jul-18	68.82	69.55	68.57	69.49	0.85
Oct-18	67.93	67.93	67.93	67.93	0.79

Pakistan Cotton Spot rates: As on25-September-2017

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6100	145	6245
Equivalent	40 Kgs	6537	155	6692

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