

Domestic Fundamentals:

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

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)	-1.5	861.5	866.00	861.00	864.00	1,787	-654	7595	-155

Spread	Cont (C1)		
Spot	97.00	-	-
	-	-	-

Updated at 05:00 pm as on 27-Sep 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-10	18500.00	18590.00	18460.00	18530.00	473	-22	3111	160
Nov-17	10	18240.00	18320.00	18180.00	18260.00	233	-118	2257	181

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

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

* Updated at 05:00 pm as on 27-Sep 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	27-Sep-17	26-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	4780	4830	-50
	Rajkot	B.T. Cotton	4805	4840	-35
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4225	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4250	4250	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4190	4215	-25
	Fatehabad	B.T. Cotton	4200	4300	-100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4400	4450	-50
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4470	4470	Unch
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5150	4750	400
	Hathras	Desi	4650	4600	50
Telangana	Adilabad	Un-Ginned	4550	4450	100
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	3820	4009	-189
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	5049	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5100	4355	745
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	27-Sep-17	26-Sep-17	
Punjab	Bhatinda	J-34	3860	3900	-40
	Abohar	J-34	3880	3900	-20

	Mansa	J-34	3870	3890	-20
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3860	3900	-40
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Sep-17	26-Sep-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	166	221	-55
	Rajkot	B.T. Cotton	390	570	-180
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	12	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	8000	7000	1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	595	1000	-405
	Fatehabad	B.T. Cotton	600	800	-200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	2200	2500	-300
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	8690	8800	-110
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	150	Unch
	Hathras	Desi	75	150	-75
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	16	123	-107
	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	322	300	22
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	27-Sep-17	26-Sep-17	
Punjab	Bhatinda	J-34	8500	7650	850
	Abohar	J-34	2550	2210	340
	Mansa	J-34	1105	850	255
Haryana	Sirsa	J-34	1190	1360	-170
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
				26-Sep-17	25-Sep-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	33900	33200	700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34600	34200	400
J-34(202)	26mm	3.5 - 4.9	23	36700	36600	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37700	38100	-400
Shankar-6(105)	29mm	3.5 - 4.9	28	38700	39200	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40900	41500	-600
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43000	43400	-400
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
		27-Sep-17	26-Sep-17	
Rajkot	Rs. /10 Kg.	655	655	Unch
New Delhi	Rs. /10 Kg.	635	635	Unch
Hyderabad	Rs. /10 Kg.	645	645	Unch
Mumbai	Rs. /10 Kg.	680	678	2

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

Centre	Unit	Price		Change
		27-Sep-17	26-Sep-17	
Mahesana (Kadi)	Rs./Qtl	1371	1376	-5
Akola	Rs./Qtl	1407	1428	-21

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 27-September-2017

Index	RMB/Ton	Change
CCIndex(328)	15996	4
CCIndex(527)	14939	Unch

CCIndex(229)	16435	3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 27-September-2017

Index	Cents/lb	Change
FC Index (S)	82.89	-0.61
FC Index (M)	78.59	-0.69
FC Index (L)	76.97	-0.74

Cotlook Index: As on 26-September-2017

Cotlook Indices	Cents/Pound	Change
A-Index	79.70	1.00

USDA Cotton Spot Rates: As on 26-September-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.50	70.75	NIL
North Delta	68.75	70.00	NIL
South Delta	68.75	70.00	NIL
East TX-OK	68.00	69.50	3097
West Texas	67.50	69.00	NIL
Desert SW	63.50	67.50	NIL
SJ Valley	64.50	73.40	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.): As on 26-September-2017

Contract	Open	High	Low	Close	Change
Oct-17	69.38	69.38	69.38	69.38	-0.71
Dec-17	69.49	69.73	68.50	68.75	-0.71
Mar-18	68.36	68.75	67.74	67.89	-0.65
May-18	69.24	69.26	68.28	68.43	-0.63
Jul-18	69.68	69.69	68.79	68.94	-0.55
Oct-18	67.52	67.52	67.52	67.52	-0.41

Pakistan Cotton Spot rates: As on 26-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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