

Domestic Fundamentals:

Market Outlook: Cotton spot markets witnessed mostly firm tone on Thursday.

In The News: According to the official figures, cotton has been sown on 122.59 lakh hectares as on September 29, 2017 across the country compared to 102.79 lakh hectares during the same period previous year.

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.

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.

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 latest figures by International Cotton Advisory Committee (ICAC), global cotton output is estimated at 25.4 million metric tonnes compared to previous month's estimates of 25.14 million metric tonnes. The rise in output is due to higher cotton prices during 2016/17 and better cotton price ratios to other competing crops during the 2017 planting campaign, which has led the cotton area to increase by an estimated 3million hectares to over 32million hectares.

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)	5.5	873	879.00	872.50	871	1,936	-52	6901	38

Spread	Cont (C1)		
Spot	127	-	-
	-	-	-

Updated at 05:00 pm as on 05-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	150	18600.00	18760.00	18560.00	18510.00	835	485	2855	-249
Nov-17	120	18360.00	18480.00	18340.00	18280.00	285	25	2363	-42

Spread	Oct-17	Nov-17	-	-	--	--
Spot		230		-	-	-
Oct-17				-	-	-

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

* Updated at 05:00 pm as on 05-Oct 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	5-Oct-17	4-Oct-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5030	4805	225
	Rajkot	B.T. Cotton	NA	4985	-
	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)	4450	4350	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4300	4250	50
	Fatehabad	B.T. Cotton	4480	4380	100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4550	4525	25
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4560	4745	-185
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5250	NR	-
	Hathras	Desi	4800	NR	-
Telangana	Adilabad	Un-Ginned	4550	4550	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	3800	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	4919	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4359	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	5-Oct-17	4-Oct-17	
Punjab	Bhatinda	J-34	3860	3840	20
	Abohar	J-34	3850	3830	20
	Mansa	J-34	3840	3810	30
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3850	3830	20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Oct-17	4-Oct-17	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	118	59	59
	Rajkot	B.T. Cotton	NA	460	-
	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	3000	4000	-1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	680	765	-85
	Fatehabad	B.T. Cotton	900	1100	-200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	2200	800
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4500	11890	-7390
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	225	NR	-
	Hathras	Desi	40	NR	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	120	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	182	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4000	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	5-Oct-17	4-Oct-17	
Punjab	Bhatinda	J-34	4250	5100	-850

	Abohar	J-34	2720	7650	-4930
	Mansa	J-34	850	680	170
Haryana	Sirsa	J-34	1700	1700	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
				4-Oct-17	3-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34400	34400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	35100	Unch
J-34(202)	26mm	3.5 - 4.9	23	36200	36200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37500	37500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38000	38000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40300	40300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42400	42400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	51500	51500	Unch

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

Centre	Unit	Price		Change
		5-Oct-17	4-Oct-17	
Rajkot	Rs. /10 Kg.	655	645	10
New Delhi	Rs. /10 Kg.	630	630	Unch
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	670	672	-2

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

Centre	Unit	Price		Change
		5-Oct-17	4-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1376	1355	21
Akola	Rs./Qtl	1412	1425	-13

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 5-October-2017

Index	RMB/Ton	Change
CCIndex(328)	15988	-1
CCIndex(527)	14942	-5
CCIndex(229)	16455	Unch

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index : As on 29-September-2017

Index	Cents/lb	Change
FC Index (S)	82.87	0.20
FC Index (M)	78.68	0.27
FC Index (L)	79.96	3.23

Cotlook Index: As on 4-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	77.60	-0.10

USDA Cotton Spot Rates: As on 4-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.55	70.80	NIL
North Delta	68.80	70.05	NIL
South Delta	68.80	70.05	NIL
East TX-OK	68.00	69.50	3211
West Texas	67.50	69.00	NIL
Desert SW	63.55	67.55	NIL
SJ Valley	64.55	73.45	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 4-October-2017

Contract	Open	High	Low	Close	Change
Oct-17	69.43	69.43	69.43	69.43	1.28
Dec-17	67.60	69.97	67.54	68.80	1.28
Mar-18	66.92	68.94	66.83	67.91	1.10
May-18	67.66	69.54	67.66	68.62	1.08
Jul-18	68.25	70.04	68.25	69.16	1.04
Oct-18	67.87	67.87	67.87	67.87	0.92

Pakistan Cotton Spot rates: As on 4-October-2017

(in Pakistan Rupees)

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

Disclaimer

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