

Domestic Fundamentals:

Market Outlook: Cotton spot markets mostly noticed firm tone on Monday.

In The News: The Cotton Association of India (CAI) predicted India to produce 375 lakh bales of cotton in 2017-18.

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 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:

On the back of a higher production estimate in India & U.S, the International Cotton Advisory Committee (ICAC) projected world's cotton output to rise by 10% to 25.5 million tonnes in 2017-18 (01st October, 2017 -30th September, 2018).

On the other hand, world' cotton consumption is expected to increase by 2.7% from 24.56 MMT in 2016-17 to 25.22 MMT in 2017-18. Wherein, China, the world's largest cotton consumer, is expected to consume 8.1 MMT of cotton during 2017-18 which is 1.5% higher than its cotton consumption last year.

ICAC also projected cotton export of 3.1 MMT from U.S (which is the largest cotton exporter in the world)and an import of 1.4 MMT by Bangladesh in 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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	15	879	890.00	875.00	872	4,088	2,622	6771	-343

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

Updated at 05:00 pm as on 09-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	180	18680.00	18900.00	18680.00	18670.00	795	384	2668	-120
Nov-17	140	18390.00	18470.00	18330.00	18320.00	553	310	2467	105

Spread	Oct-17	Nov-17	-	-	--	--
Spot		350		-	-	-
Oct-17				-	-	-

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

* Updated at 05:00 pm as on 09-Oct 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	9-Oct-17	7-Oct-17	
Gujarat	Ahmedabad	Shankar-6	5200	NA	-
	Gondal	Shankar-6	5030	5030	Unch
	Rajkot	B.T. Cotton	5075	5040	35
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	4750	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	4310	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4525	4450	75
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4370	4320	50
	Fatehabad	B.T. Cotton	4560	4500	60
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4650	4500	150
	Rawatsar	B.T. Cotton	4600	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4805	4755	50
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5600	5450	150
	Hathras	Desi	4800	4650	150
Telangana	Adilabad	Un-Ginned	4500	4550	-50
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4633	NA	-
	Krishna	Un-Ginned	4500	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5089	4969	120
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4400	4450	-50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Oct-17	7-Oct-17	
Punjab	Bhatinda	J-34	3860	3830	30
	Abohar	J-34	3860	3830	30

	Mansa	J-34	3840	3810	30
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3900	3840	60
Rajasthan	Sri-Ganganagar	J-34	3619	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Oct-17	7-Oct-17	
Gujarat	Ahmedabad	Shankar-6	10200	NA	-
	Gondal	Shankar-6	50	108	-58
	Rajkot	B.T. Cotton	800	535	265
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	4000	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	12	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	2000	1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	1360	-510
	Fatehabad	B.T. Cotton	800	1000	-200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4000	2800	1200
	Rawatsar	B.T. Cotton	1000	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4720	10610	-5890
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	350	350	Unch
	Hathras	Desi	85	80	5
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	127	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	509	95	414
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1043	517	526
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	9-Oct-17	7-Oct-17	
Punjab	Bhatinda	J-34	9350	7650	1700
	Abohar	J-34	2550	2210	340
	Mansa	J-34	850	425	425
Haryana	Sirsa	J-34	1700	1870	-170
Rajasthan	Sri-Ganganagar	J-34	1000	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				7-Oct-17	6-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38000	37500	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38500	38000	500
J-34(202)	26mm	3.5 - 4.9	23	36000	35800	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37800	37600	200
Shankar-6(105)	29mm	3.5 - 4.9	28	38300	38100	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40600	40400	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42700	42500	200
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
		9-Oct-17	7-Oct-17	
Rajkot	Rs. /10 Kg.	655	650	5
New Delhi	Rs. /10 Kg.	630	630	Unch
Hyderabad	Rs. /10 Kg.	645	645	Unch
Mumbai	Rs. /10 Kg.	670	670	Unch

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

Centre	Unit	Price		Change
		9-Oct-17	7-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1443	1387	56
Akola	Rs./Qtl	1444	1428	16

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 9-October-2017

Index	RMB/Ton	Change
CCIndex(328)	15981	-7
CCIndex(527)	14937	-2

CCIndex(229)	16455	-4
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 6-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	78.30	-0.35

USDA Cotton Spot Rates: As on 6-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.59	70.84	NIL
North Delta	68.84	70.09	NIL
South Delta	68.84	70.09	NIL
East TX-OK	68.25	69.75	263
West Texas	67.75	69.25	NIL
Desert SW	63.59	67.59	NIL
SJ Valley	64.59	73.49	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 6-October-2017

Contract	Open	High	Low	Close	Change
Oct-17	69.47	69.47	69.47	69.47	0.57
Dec-17	68.21	69.19	67.80	68.84	0.57
Mar-18	67.63	68.50	67.30	68.29	0.61
May-18	68.35	69.17	68.02	68.97	0.57
Jul-18	68.98	69.63	68.54	69.41	0.50
Oct-18	68.02	68.02	68.02	68.02	0.42

Pakistan Cotton Spot rates: As on 7-October-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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