

Domestic Fundamentals:

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

In The News: According to the official figures, cotton has been sown on 123.17 lakh hectares as on October 06, 2017 across the country compared to 102.99 lakh hectares during the same period previous year.

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 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:

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)	0	889.5	892.00	885.50	889.5	2,519	-1,569	7049	278

Spread	Cont (C1)		
Spot	130.5	-	-
	-	-	-

Updated at 04:40 pm as on 10-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	90	18880.00	18930.00	18820.00	18840.00	382	-413	2619	-49
Nov-17	40	18470.00	18480.00	18390.00	18430.00	234	-319	2478	11

Spread	Oct-17	Nov-17	-	-	--	--
Spot		410		-	-	-
Oct-17				-	-	-

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

* Updated at 04:40 pm as on 10-Oct 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	10-Oct-17	9-Oct-17	
Gujarat	Ahmedabad	Shankar-6	5250	5200	50
	Gondal	Shankar-6	4980	5030	-50
	Rajkot	B.T. Cotton	5100	5075	25
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	4900	4750	150
	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)	4715	4525	190
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4300	4370	-70
	Fatehabad	B.T. Cotton	4680	4560	120
	Jind	B.T. Cotton	4894	NA	-
	Uchana	B.T. Cotton	4690	NA	-
	Dabwali	B.T. Cotton	4520	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4650	4650	Unch
	Rawatsar	B.T. Cotton	4620	4600	20
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	4750	4805	-55
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	5600	200
	Hathras	Desi	4400	4500	-100
Telangana	Adilabad	Un-Ginned	4550	4500	50
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	4633	-
	Krishna	Un-Ginned	NA	4500	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	5089	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4300	4400	-100
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	10-Oct-17	9-Oct-17	
Punjab	Bhatinda	J-34	3835	3860	-25
	Abohar	J-34	3835	3860	-25

	Mansa	J-34	3800	3840	-40
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3860	3900	-40
Rajasthan	Sri-Ganganagar	J-34	NR	3619	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Oct-17	9-Oct-17	
Gujarat	Ahmedabad	Shankar-6	11900	10200	1700
	Gondal	Shankar-6	114	50	64
	Rajkot	B.T. Cotton	780	800	-20
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	5000	4000	1000
	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	3000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5975	850	5125
	Fatehabad	B.T. Cotton	500	800	-300
	Jind	B.T. Cotton	850	NA	-
	Uchana	B.T. Cotton	3005	NA	-
	Dabwali	B.T. Cotton	1600	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	8550	4720	3830
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	200	350	-150
	Hathras	Desi	85	85	Unch
Telangana	Adilabad	Un-Ginned	12918	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	127	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	509	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	795	1043	-248
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	10-Oct-17	9-Oct-17	
Punjab	Bhatinda	J-34	9350	9350	Unch
	Abohar	J-34	8500	2550	5950
	Mansa	J-34	510	850	-340
Haryana	Sirsa	J-34	1360	1700	-340
Rajasthan	Sri-Ganganagar	J-34	NR	1000	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				9-Oct-17	7-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38000	38000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38800	38500	300
J-34(202)	26mm	3.5 - 4.9	23	36400	36000	400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38100	37800	300
Shankar-6(105)	29mm	3.5 - 4.9	28	38600	38300	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40900	40600	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43000	42700	300
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
		10-Oct-17	9-Oct-17	
Rajkot	Rs. /10 Kg.	650	655	-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
		10-Oct-17	9-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1488	1443	45
Akola	Rs./Qtl	1450	1444	6

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 10-October-2017

Index	Cents/lb	Change
FC Index (S)	83.16	0.29
FC Index (M)	79.00	0.32
FC Index (L)	77.12	-2.84

Cotlook Index: As on 9-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	78.80	0.50

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.): Ason 9-October-2017

Contract	Open	High	Low	Close	Change
Oct-17	69.58	69.58	69.58	69.58	0.11
Dec-17	68.68	69.07	68.05	68.95	0.11
Mar-18	68.18	68.48	67.44	68.42	0.13
May-18	68.86	69.12	68.15	69.10	0.13
Jul-18	69.31	69.55	68.61	69.54	0.13
Oct-18	68.20	68.20	68.20	68.20	0.18

Pakistan Cotton Spot rates: As on 9-October-2017

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6050	145	6196
Equivalent	40 Kgs	6484	155	6639

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