

Domestic Fundamentals:

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

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 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)	-5.5	889	893.50	884.00	892	2,831	312	7117	68

Spread	Cont (C1)		
Spot	133	-	-
	-	-	-

Updated at 05:05 pm as on 11-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-50	19190.00	19350.00	19100.00	19250.00	680	298	2239	-380
Nov-17	-130	18620.00	18700.00	18440.00	18630.00	343	109	2592	114

Spread	Oct-17	Nov-17	-	-	--	--
Spot		620		-	-	-
Oct-17				-	-	-

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

* Updated at 05:05 pm as on 11-Oct 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	11-Oct-17	10-Oct-17	
Gujarat	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	5030	4980	50
	Rajkot	B.T. Cotton	5125	5100	25
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	4900	4900	Unch
	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)	5000	4715	285
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4450	4300	150
	Fatehabad	B.T. Cotton	4850	4680	170
	Jind	B.T. Cotton	4970	4894	76
	Uchana	B.T. Cotton	4850	4690	160
	Dabwali	B.T. Cotton	4685	4520	165
Rajasthan	Hanumangarh	B.T. Cotton	4790	4650	140
	Rawatsar	B.T. Cotton	4790	4620	170
Madhya Pradesh	Khandwa	Mech-1	4600	NA	-
	Khargaon	Mech-1	4755	4750	5
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5850	5800	50
	Hathras	Desi	4450	4400	50
Telangana	Adilabad	Un-Ginned	4580	4550	30
Andhra Pradesh	Guntur	Un-Ginned	3800	NA	-
	Kurnool	Un-Ginned	4666	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5091	5059	32
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4300	4300	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	11-Oct-17	10-Oct-17	
Punjab	Bhatinda	J-34	3860	3835	25
	Abohar	J-34	3870	3835	35

	Mansa	J-34	3860	3800	60
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3900	3860	40
Rajasthan	Sri-Ganganagar	J-34	NA	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-Oct-17	10-Oct-17	
Gujarat	Ahmedabad	Shankar-6	11900	11900	Unch
	Gondal	Shankar-6	210	114	96
	Rajkot	B.T. Cotton	760	780	-20
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	7000	5000	2000
	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	700	3000	-2300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	595	-255
	Fatehabad	B.T. Cotton	300	500	-200
	Jind	B.T. Cotton	765	850	-85
	Uchana	B.T. Cotton	2500	3005	-505
	Dabwali	B.T. Cotton	1350	1600	-250
Rajasthan	Hanumangarh	B.T. Cotton	2000	3000	-1000
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	500	NA	-
	Khargaon	Mech-1	4650	8550	-3900
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	50	200	-150
	Hathras	Desi	150	85	65
Telangana	Adilabad	Un-Ginned	5321	12918	-7597
Andhra Pradesh	Guntur	Un-Ginned	375	NA	-
	Kurnool	Un-Ginned	490	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	475	323	152
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1155	795	360
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	11-Oct-17	10-Oct-17	
Punjab	Bhatinda	J-34	5950	9350	-3400
	Abohar	J-34	1700	8500	-6800
	Mansa	J-34	510	510	Unch
Haryana	Sirsa	J-34	1360	1360	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NR	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				10-Oct-17	9-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	38500	38000	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39500	38800	700
J-34(202)	26mm	3.5 - 4.9	23	35900	36400	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38300	38100	200
Shankar-6(105)	29mm	3.5 - 4.9	28	38800	38600	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41100	40900	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43000	43000	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
		11-Oct-17	10-Oct-17	
Rajkot	Rs. /10 Kg.	645	650	-5
New Delhi	Rs. /10 Kg.	635	630	5
Hyderabad	Rs. /10 Kg.	645	645	Unch
Mumbai	Rs. /10 Kg.	676	670	6

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

Centre	Unit	Price		Change
		11-Oct-17	10-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1505	1488	17
Akola	Rs./Qtl	1462	1450	12

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 11-October-2017

Index	RMB/Ton	Change
CCIndex(328)	15981	Unch

CCIndex(527)	14926	-2
CCIndex(229)	16462	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 11-October-2017

Index	Cents/lb	Change
FC Index (S)	83.16	Unch
FC Index (M)	79.00	Unch
FC Index (L)	77.12	Unch

Cotlook Index: As on 10-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	78.80	Unch

USDA Cotton Spot Rates: As on 10-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.70	70.95	NIL
North Delta	68.95	70.20	NIL
South Delta	68.95	70.20	NIL
East TX-OK	67.50	69.00	2010
West Texas	67.00	68.50	NIL
Desert SW	63.70	67.70	NIL
SJ Valley	64.70	73.60	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 10-October-2017

Contract	Open	High	Low	Close	Change
Oct-17	69.00	69.88	68.61	68.95	Unch
Dec-17	68.43	69.23	68.08	68.38	-0.04
Mar-18	69.09	69.76	68.75	69.00	-0.10
May-18	69.52	70.2	69.22	69.44	-0.10
Jul-18	68.11	68.11	68.11	68.11	-0.09
Oct-18	68.40	68.95	68.37	68.49	Unch

Pakistan Cotton Spot rates: As on 10-October-2017				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	61000	145	6245
Equivalent	40 Kgs	6537	155	6692

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2017 Indian Agribusiness Systems Pvt. Ltd.