

## Domestic Fundamentals:

**Market Outlook:** Cotton spot markets noticed mixed tone on Thursday.

**In The News:** Heavy rain in the major cotton growing region of India (Maharashtra, Gujarat, M.P, Andhra Pradesh, Telanagana & Karnataka) had adversely affected cotton sowing and arrivals into the country.

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)	-11.5	889	891.50	877.00	889.50	3,650	819	7466	349

Spread	Cont (C1)		
Spot	135.50	-	-
	-	-	-

Updated at 05:00 pm as on 12-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-140	19480.00	19600.00	19050.00	19270.00	768	88	2129	-110
Nov-17	-160	18530.00	18580.00	18290.00	18470.00	518	175	2727	135

Spread	Oct-17	Nov-17	-	-	--	--
Spot		800		-	-	-
Oct-17				-	-	-

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

\* Updated at 05:00 pm as on 12-Oct 2017

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Oct-17	11-Oct-17	
Gujarat	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	5005	5030	-25
	Rajkot	B.T. Cotton	5125	5125	Unch
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	5000	4900	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4590	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4950	5000	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4785	4785	Unch
	Fatehabad	B.T. Cotton	4875	4850	25
	Jind	B.T. Cotton	4973	4970	3
	Uchana	B.T. Cotton	4875	4850	25
	Dabwali	B.T. Cotton	4665	4685	-20
Rajasthan	Hanumangarh	B.T. Cotton	4750	4790	-40
	Rawatsar	B.T. Cotton	4800	4790	10
Madhya Pradesh	Khandwa	Mech-1	4700	4600	100
	Khargaon	Mech-1	4855	4755	100
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	5850	-
	Hathras	Desi	NR	4450	-
Telangana	Adilabad	Un-Ginned	4650	4580	70
Andhra Pradesh	Guntur	Un-Ginned	4000	3800	200
	Kurnool	Un-Ginned	NA	4666	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	5122	5091	31
	Hubli	D.C.H.	NA	4600	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4200	4300	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	12-Oct-17	11-Oct-17	
Punjab	Bhatinda	J-34	3855	3860	-5
	Abohar	J-34	3860	3870	-10
	Mansa	J-34	3850	3860	-10

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	3890	3900	<b>-10</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Oct-17	11-Oct-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	6800	11900	<b>-5100</b>
	Gondal	Shankar-6	142	210	<b>-68</b>
	Rajkot	B.T. Cotton	710	760	<b>-50</b>
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	4000	7000	<b>-3000</b>
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4	NA	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	3000	700	<b>2300</b>
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	340	<b>Unch</b>
	Fatehabad	B.T. Cotton	300	300	<b>Unch</b>
	Jind	B.T. Cotton	1445	765	<b>680</b>
	Uchana	B.T. Cotton	2750	2500	<b>250</b>
	Dabwali	B.T. Cotton	1420	1350	<b>70</b>
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	4000	2000	<b>2000</b>
	Rawatsar	B.T. Cotton	2000	1000	<b>1000</b>
<b>Madhya Pradesh</b>	Khandwa	Mech-1	500	500	<b>Unch</b>
	Khargaon	Mech-1	1570	4650	<b>-3080</b>
<b>Maharashtra</b>	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NR	50	-
	Hathras	Desi	NR	150	-
<b>Telangana</b>	Adilabad	Un-Ginned	10092	5321	<b>4771</b>
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	25	375	<b>-350</b>
	Kurnool	Un-Ginned	NA	490	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	425	475	<b>-50</b>
	Hubli	D.C.H.	NA	90	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1087	1155	<b>-68</b>
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	12-Oct-17	11-Oct-17	

<b>Punjab</b>	Bhatinda	J-34	4250	5950	<b>-1700</b>
	Abohar	J-34	1700	1700	<b>Unch</b>
	Mansa	J-34	510	510	<b>Unch</b>
<b>Haryana</b>	Sirsa	J-34	1700	1360	<b>340</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	<b>-</b>

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				11-Oct-17	10-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39000	38500	<b>500</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40000	39500	<b>500</b>
J-34(202)	26mm	3.5 - 4.9	23	36300	35900	<b>400</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38500	38300	<b>200</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	39000	38800	<b>200</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41300	41100	<b>200</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43000	43000	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	51500	51500	<b>Unch</b>

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

Centre	Unit	Price		Change
		12-Oct-17	11-Oct-17	
Rajkot	Rs. /10 Kg.	648	645	<b>3</b>
New Delhi	Rs. /10 Kg.	630	635	<b>-5</b>
Hyderabad	Rs. /10 Kg.	645	645	<b>Unch</b>
Mumbai	Rs. /10 Kg.	676	676	<b>Unch</b>

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

Centre	Unit	Price		Change
		12-Oct-17	11-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1517	1505	<b>12</b>
Akola	Rs./Qtl	1476	1462	<b>14</b>

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 12-October-2017**

Index	RMB/Ton	Change
CCIndex(328)	15979	<b>-2</b>
CCIndex(527)	14925	<b>-1</b>

CCIndex(229)	16464	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 12-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 11-October-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	78.80	Unch

**USDA Cotton Spot Rates: As on 11-October-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.48	70.73	1064
North Delta	68.73	69.98	NIL
South Delta	68.73	69.98	NIL
East TX-OK	67.50	69.00	1435
West Texas	67.00	68.50	259
Desert SW	63.48	67.48	NIL
SJ Valley	64.48	73.38	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 11-October-2017**

Contract	Open	High	Low	Close	Change
Dec-17	69.24	69.45	68.46	68.73	-0.22
Mar-18	68.64	68.90	67.95	68.30	-0.08
May-18	69.00	69.32	68.64	69.00	Unch
Jul-18	69.67	69.80	69.07	69.48	0.04
Oct-18	68.17	68.17	68.17	68.17	0.06
Dec-18	68.70	68.80	68.35	68.53	0.04

**Pakistan Cotton Spot rates: As on 11-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

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