

## Domestic Fundamentals:

**Market Outlook:** Cotton spot markets mostly noticed weak tone on Friday.

**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)	-4	874.5	875.50	867.00	874	2,991	-659	6654	-812

Spread	Cont (C1)		
Spot	131	-	-
	-	-	-

Updated at 05:00 pm as on 13-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-60	19000.00	19020.00	18860.00	19030.00	631	-137	1872	-257
Nov-17	-70	18200.00	18240.00	18160.00	18260.00	438	-80	2683	-44

Spread	Oct-17	Nov-17	-	-	--	--
Spot		770		-	-	-
Oct-17				-	-	-

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

\* Updated at 05:00 pm as on 13-Oct 2017

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	13-Oct-17	12-Oct-17	
Gujarat	Ahmedabad	Shankar-6	5125	5250	-125
	Gondal	Shankar-6	4980	5005	-25
	Rajkot	B.T. Cotton	5025	5125	-100
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	4950	5000	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4875	4590	285
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	5000	4950	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4780	4785	-5
	Fatehabad	B.T. Cotton	4880	4875	5
	Jind	B.T. Cotton	4960	4973	-13
	Uchana	B.T. Cotton	4840	4875	-35
	Dabwali	B.T. Cotton	4650	4665	-15
Rajasthan	Hanumangarh	B.T. Cotton	4725	4750	-25
	Rawatsar	B.T. Cotton	4750	4800	-50
Madhya Pradesh	Khandwa	Mech-1	4600	4700	-100
	Khargaon	Mech-1	4755	4855	-100
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NR	-
	Hathras	Desi	NR	NR	-
Telangana	Adilabad	Un-Ginned	4650	4650	Unch
Andhra Pradesh	Guntur	Un-Ginned	3750	4000	-250
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5179	5122	57
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4280	4200	80
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	13-Oct-17	12-Oct-17	
Punjab	Bhatinda	J-34	3840	3855	-15
	Abohar	J-34	3840	3860	-20
	Mansa	J-34	3825	3850	-25

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	3870	3890	<b>-20</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NR	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	13-Oct-17	12-Oct-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	11900	6800	<b>5100</b>
	Gondal	Shankar-6	276	142	<b>134</b>
	Rajkot	B.T. Cotton	821	710	<b>111</b>
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	10000	4000	<b>6000</b>
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	33	4	<b>29</b>
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	1500	3000	<b>-1500</b>
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	510	340	<b>170</b>
	Fatehabad	B.T. Cotton	450	300	<b>150</b>
	Jind	B.T. Cotton	1700	1445	<b>255</b>
	Uchana	B.T. Cotton	2800	2750	<b>50</b>
	Dabwali	B.T. Cotton	1500	1420	<b>80</b>
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	3000	4000	<b>-1000</b>
	Rawatsar	B.T. Cotton	2500	2000	<b>500</b>
<b>Madhya Pradesh</b>	Khandwa	Mech-1	500	500	<b>Unch</b>
	Khargaon	Mech-1	3680	1570	<b>2110</b>
<b>Maharashtra</b>	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NR	NR	-
	Hathras	Desi	NR	NR	-
<b>Telangana</b>	Adilabad	Un-Ginned	11930	10092	<b>1838</b>
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	210	25	<b>185</b>
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	367	425	<b>-58</b>
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	915	1087	<b>-172</b>
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	13-Oct-17	12-Oct-17	

<b>Punjab</b>	Bhatinda	J-34	5100	4250	<b>850</b>
	Abohar	J-34	1870	1700	<b>170</b>
	Mansa	J-34	510	510	<b>Unch</b>
<b>Haryana</b>	Sirsa	J-34	1190	1700	<b>-510</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NR	NA	<b>-</b>

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				12-Oct-17	11-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40000	39000	<b>1000</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41000	40000	<b>1000</b>
J-34(202)	26mm	3.5 - 4.9	23	36100	36300	<b>-200</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38500	38500	<b>Unch</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	39000	39000	<b>Unch</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41300	41300	<b>Unch</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	50500	51500	<b>-1000</b>

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

Centre	Unit	Price		Change
		13-Oct-17	12-Oct-17	
Rajkot	Rs. /10 Kg.	650	648	<b>2</b>
New Delhi	Rs. /10 Kg.	635	630	<b>5</b>
Hyderabad	Rs. /10 Kg.	650	645	<b>5</b>
Mumbai	Rs. /10 Kg.	NR	676	<b>-</b>

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

Centre	Unit	Price		Change
		13-Oct-17	12-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1518	1517	<b>1</b>
Akola	Rs./Qtl	1476	1476	<b>Unch</b>

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 13-October-2017**

Index	RMB/Ton	Change
CCIndex(328)	15970	<b>-9</b>
CCIndex(527)	14923	<b>-2</b>

CCIndex(229)	16461	-3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 13-October-2017**

Index	Cents/lb	Change
FC Index (S)	82.14	-1.02
FC Index (M)	78.04	-0.96
FC Index (L)	75.94	-1.18

**Cotlook Index: As on 12-October-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	78.70	-0.10

**USDA Cotton Spot Rates: As on 12-October-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	68.59	69.84	NIL
North Delta	67.84	69.09	NIL
South Delta	67.84	69.09	NIL
East TX-OK	66.50	68.00	1482
West Texas	66.00	67.50	NIL
Desert SW	62.59	66.59	NIL
SJ Valley	63.59	72.49	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 12-October-2017**

Contract	Open	High	Low	Close	Change
Dec-17	68.83	69.11	67.66	67.84	-0.89
Mar-18	68.32	68.61	67.25	67.37	-0.93
May-18	69.04	69.22	68.02	68.13	-0.87
Jul-18	69.50	69.54	68.66	68.68	-0.80
Oct-18	67.39	67.39	67.39	67.39	-0.78
Dec-18	68.50	68.50	67.62	67.72	-0.81

**Pakistan Cotton Spot rates: As on 12-October-2017**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	<b>37.32 Kgs</b>	6150	145	6295
<b>Equivalent</b>	<b>40 Kgs</b>	6591	155	6746

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