

## Domestic Fundamentals:

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

**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	14-Oct-17	13-Oct-17	
Gujarat	Ahmedabad	Shankar-6	4875	5125	-250
	Gondal	Shankar-6	4830	4980	-150
	Rajkot	B.T. Cotton	4835	5025	-190
	Patan	B.T. Cotton	NA	Closed	-
	Kadi	B.T. Cotton	5940	4950	990
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4830	4875	-45
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	5000	5000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4800	4780	20
	Fatehabad	B.T. Cotton	4800	4880	-80
	Jind	B.T. Cotton	4900	4960	-60
	Uchana	B.T. Cotton	4803	4840	-37
	Dabwali	B.T. Cotton	4665	4650	15
Rajasthan	Hanumangarh	B.T. Cotton	4720	4725	-5
	Rawatsar	B.T. Cotton	4680	4750	-70
Madhya Pradesh	Khandwa	Mech-1	NA	4600	-
	Khargaon	Mech-1	4705	4755	-50
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	4580	4650	-70
Andhra Pradesh	Guntur	Un-Ginned	NA	3750	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	5179	5179	Unch
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4280	4280	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	14-Oct-17	13-Oct-17	
Punjab	Bhatinda	J-34	3845	3840	5
	Abohar	J-34	3850	3840	10
	Mansa	J-34	3840	3825	15

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	3890	3870	20
<b>Rajasthan</b>	Sri-Ganganagar	J-34	3605	NR	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Oct-17	13-Oct-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	17000	11900	5100
	Gondal	Shankar-6	460	276	184
	Rajkot	B.T. Cotton	1500	821	679
	Patan	B.T. Cotton	NA	Closed	-
	Kadi	B.T. Cotton	10000	10000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	35	33	2
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	1500	1500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	680	510	170
	Fatehabad	B.T. Cotton	550	450	100
	Jind	B.T. Cotton	1530	1700	-170
	Uchana	B.T. Cotton	2500	2800	-300
	Dabwali	B.T. Cotton	1325	1500	-175
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	3500	3000	500
	Rawatsar	B.T. Cotton	1000	2500	-1500
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	500	-
	Khargaon	Mech-1	7200	3680	3520
<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	19542	11930	7612
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	210	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	370	367	3
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	920	915	5
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	14-Oct-17	13-Oct-17	
<b>Punjab</b>	Bhatinda	J-34	8500	5100	3400

	Abohar	J-34	1360	1870	<b>-510</b>
	Mansa	J-34	510	510	<b>Unch</b>
<b>Haryana</b>	Sirsa	J-34	1020	1190	<b>-170</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	500	NR	<b>-</b>

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				13-Oct-17	12-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40000	40000	<b>Unch</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41000	41000	<b>Unch</b>
J-34(202)	26mm	3.5 - 4.9	23	35900	36100	<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	50500	<b>Unch</b>

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

Centre	Unit	Price		Change
		14-Oct-17	13-Oct-17	
Rajkot	Rs. /10 Kg.	647	650	<b>-3</b>
New Delhi	Rs. /10 Kg.	690	635	<b>55</b>
Hyderabad	Rs. /10 Kg.	675	650	<b>25</b>
Mumbai	Rs. /10 Kg.	660	NR	<b>-</b>

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

Centre	Unit	Price		Change
		14-Oct-17	13-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1520	1518	<b>2</b>
Akola	Rs./Qtl	1477	1476	<b>1</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	<b>-3</b>

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.): Ason 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
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<b>Cotton</b>	<b>37.32 Kgs</b>	6150	145	6295
<b>Equivalent</b>	<b>40 Kgs</b>	6591	155	6746

**Disclaimer**

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