

Domestic Fundamentals:

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

In The News: According to the official figures, cotton has been sown on 123.17 lakh hectares as on October 13, 2017 across the country compared to 103.69 lakh hectares during the same period previous year.

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.

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)	-8	872	872.00	861.00	870	2,478	-513	6753	99

Spread	Cont (C1)		
Spot	135	-	-
	-	-	-

Updated at 05:00 pm as on 16-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-170	19000.00	19000.00	18790.00	18970.00	536	-95	1759	-113
Nov-17	-90	18180.00	18180.00	18060.00	18190.00	547	109	2767	84

Spread	Oct-17	Nov-17	-	-	--	--
Spot		780		-	-	-
Oct-17				-	-	-

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

* Updated at 05:00 pm as on 16-Oct 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	16-Oct-17	14-Oct-17	
Gujarat	Ahmedabad	Shankar-6	4750	4875	-125
	Gondal	Shankar-6	4855	4830	25
	Rajkot	B.T. Cotton	4825	4835	-10
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	5900	5940	-40
	Deesa	B.T. Cotton	Closed	NA	-
	Dhrol	B.T. Cotton	Closed	4830	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4800	5000	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4700	4800	-100
	Fatehabad	B.T. Cotton	4760	4800	-40
	Jind	B.T. Cotton	4825	4900	-75
	Uchana	B.T. Cotton	4780	4803	-23
	Dabwali	B.T. Cotton	4585	4665	-80
Rajasthan	Hanumangarh	B.T. Cotton	4700	4720	-20
	Rawatsar	B.T. Cotton	4580	4680	-100
Madhya Pradesh	Khandwa	Mech-1	4400	Closed	-
	Khargaon	Mech-1	4750	4705	45
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	4580	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	NA	-
Karnataka	Bijapur	Bunny	5189	5179	10
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4130	4280	-150
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	16-Oct-17	14-Oct-17	
Punjab	Bhatinda	J-34	3835	3845	-10
	Abohar	J-34	3840	3850	-10

	Mansa	J-34	3835	3840	-5
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3880	3890	-10
Rajasthan	Sri-Ganganagar	J-34	3610	3605	5

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Oct-17	14-Oct-17	
Gujarat	Ahmedabad	Shankar-6	25500	17000	8500
	Gondal	Shankar-6	1166	460	706
	Rajkot	B.T. Cotton	2600	1500	1100
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	12500	10000	2500
	Deesa	B.T. Cotton	Closed	NA	-
	Dhrol	B.T. Cotton	Closed	35	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	2000	1500	500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	510	680	-170
	Fatehabad	B.T. Cotton	600	550	50
	Jind	B.T. Cotton	1105	1530	-425
	Uchana	B.T. Cotton	3000	2500	500
	Dabwali	B.T. Cotton	1800	1325	475
Rajasthan	Hanumangarh	B.T. Cotton	5000	3500	1500
	Rawatsar	B.T. Cotton	2000	1000	1000
Madhya Pradesh	Khandwa	Mech-1	300	Closed	-
	Khargaon	Mech-1	7140	7200	-60
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	NA	19542	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1007	370	637
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1680	920	760
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	16-Oct-17	14-Oct-17	
Punjab	Bhatinda	J-34	7650	8500	-850
	Abohar	J-34	1020	1360	-340
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	680	1020	-340
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				14-Oct-17	13-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40000	40000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41000	41000	Unch
J-34(202)	26mm	3.5 - 4.9	23	35900	35900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38500	38500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	39000	39000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41300	41300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43000	43000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	50500	50500	Unch

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

Centre	Unit	Price		Change
		16-Oct-17	14-Oct-17	
Rajkot	Rs. /10 Kg.	640	645	-2
New Delhi	Rs. /10 Kg.	635	635	Unch
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	682	680	2

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

Centre	Unit	Price		Change
		16-Oct-17	14-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1486	1520	-34
Akola	Rs./Qtl	1455	1477	-22

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

Index	RMB/Ton	Change
CCIndex(328)	15998	28

CCIndex(527)	14926	3
CCIndex(229)	16482	21
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 13-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	77.70	-1.00

USDA Cotton Spot Rates: As on 13-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.37	70.62	NIL
North Delta	68.62	69.87	NIL
South Delta	68.62	69.87	NIL
East TX-OK	66.50	68.00	305
West Texas	66.00	67.50	NIL
Desert SW	63.37	67.37	NIL
SJ Valley	64.37	73.27	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 13-October-2017				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6100	145	6245
Equivalent	40 Kgs	6537	155	6692

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