

Domestic Fundamentals:

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

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)	0	864.5	866.00	862.00	864	518	-1,110	6690	-106

Spread	Cont (C1)		
Spot	141	-	-
	-	-	-

Updated at 02:30 pm as on 18-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-10	18710.00	18730.00	18690.00	18740.00	33	-211	1507	-95
Nov-17	-10	18110.00	18150.00	18090.00	18120.00	143	-187	3030	213

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

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

* Updated at 02:30 pm as on 18-Oct 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Oct-17	17-Oct-17	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	4855	-
	Rajkot	B.T. Cotton	Closed	4700	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	Closed	4700	-
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4800	4725	75
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4750	4650	100
	Fatehabad	B.T. Cotton	4710	4720	-10
	Jind	B.T. Cotton	4790	4825	-35
	Uchana	B.T. Cotton	4660	4680	-20
	Dabwali	B.T. Cotton	4600	4625	-25
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	Closed	Closed	-
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	4855	4755	100
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	Closed	5800	-
	Hathras	Desi	Closed	4750	-
Telangana	Adilabad	Un-Ginned	4510	4550	-40
Andhra Pradesh	Guntur	Un-Ginned	NA	4400	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	5019	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4200	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	18-Oct-17	17-Oct-17	
Punjab	Bhatinda	J-34	3800	3815	-15
	Abohar	J-34	3800	3815	-15
	Mansa	J-34	3790	3810	-20
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3820	3850	-30
Rajasthan	Sri-Ganganagar	J-34	Closed	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Oct-17	17-Oct-17	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	678	-
	Rajkot	B.T. Cotton	Closed	2900	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	Closed	12500	-
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	2000	3000	-1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1700	3400	-1700
	Fatehabad	B.T. Cotton	150	600	-450
	Jind	B.T. Cotton	2040	1530	510
	Uchana	B.T. Cotton	3250	3500	-250
	Dabwali	B.T. Cotton	1400	1250	150
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	Closed	Closed	-
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	4070	9870	-5800
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	Closed	150	-
	Hathras	Desi	Closed	80	-
Telangana	Adilabad	Un-Ginned	34147	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	170	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	517	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1327	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Oct-17	17-Oct-17	
Punjab	Bhatinda	J-34	6800	8500	-1700

	Abohar	J-34	1700	2210	-510
	Mansa	J-34	170	680	-510
Haryana	Sirsa	J-34	255	850	-595
Rajasthan	Sri-Ganganagar	J-34	Closed	NR	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				17-Oct-17	16-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39900	39900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40900	Unch
J-34(202)	26mm	3.5 - 4.9	23	35200	35600	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38400	38500	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	38800	38900	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40900	41000	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42600	42700	-100
DCH-32(107)	34mm	3.0 - 3.8	33	50000	50000	Unch

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

Centre	Unit	Price		Change
		18-Oct-17	17-Oct-17	
Rajkot	Rs. /10 Kg.	Closed	640	-
New Delhi	Rs. /10 Kg.	635	635	Unch
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	682	682	Unch

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

Centre	Unit	Price		Change
		18-Oct-17	17-Oct-17	
Mahesana (Kadi)	Rs./Qtl	Closed	1443	-
Akola	Rs./Qtl	1423	1450	-27

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 18-October-2017

Index	RMB/Ton	Change
CCIndex(328)	15992	-7
CCIndex(527)	14926	-2
CCIndex(229)	16485	-2

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index : As on 18-October-2017

Index	Cents/lb	Change
FC Index (S)	82.21	0.19
FC Index (M)	78.04	0.18
FC Index (L)	75.94	0.24

Cotlook Index: As on 17-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	77.70	-0.80

USDA Cotton Spot Rates: As on 17-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	68.52	69.77	NIL
North Delta	67.77	69.02	NIL
South Delta	67.77	69.02	NIL
East TX-OK	66.00	67.50	1300
West Texas	65.50	67.00	NIL
Desert SW	62.52	66.52	NIL
SJ Valley	63.52	72.42	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 17-October-2017

Contract	Open	High	Low	Close	Change
Dec-17	67.57	68.60	67.45	67.77	0.24
Mar-18	67.34	68.17	67.26	67.48	0.16
May-18	68.30	68.91	68.20	68.32	0.16
Jul-18	69.09	69.48	68.86	68.90	0.13
Oct-18	67.66	67.66	67.66	67.66	0.20
Dec-18	68.13	68.53	68.00	68.06	0.25

Pakistan Cotton Spot rates: As on 17-October-2017

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
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Cotton	37.32 Kgs	6100	145	6245
Equivalent	40 Kgs	6537	155	6692

Disclaimer

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