

Domestic Fundamentals:

Market Outlook: Cotton spot markets witnessed steady to firm 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)	17	864.50	882.00	863.00	861	3,704	3,186	6357	-333

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

Updated at 05:00 pm as on 23-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	480	18720.00	19230.00	18720.00	18670.00	613	580	1284	-223
Nov-17	400	18250.00	18510.00	18210.00	18020.00	1,097	954	3228	198

Spread	Oct-17	Nov-17	-	-	--	--
Spot		650		-	-	-
Oct-17				-	-	-

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

* Updated at 05:00 pm as on 23-Oct 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	23-Oct-17	21-Oct-17	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	Closed	Closed	-
	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)	5000	4750	250
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4750	4720	30
	Fatehabad	B.T. Cotton	4750	4695	55
	Jind	B.T. Cotton	4850	4740	110
	Uchana	B.T. Cotton	4670	4650	20
	Dabwali	B.T. Cotton	4655	4570	85
Rajasthan	Hanumangarh	B.T. Cotton	4750	Closed	-
	Rawatsar	B.T. Cotton	4700	Closed	-
Madhya Pradesh	Khandwa	Mech-1	4500	Closed	-
	Khargaon	Mech-1	NA	Closed	-
Maharashtra	Amravati	Mech-1	4750	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	Closed	-
	Hathras	Desi	4750	Closed	-
Telangana	Adilabad	Un-Ginned	4500	4500	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	3400	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	5079	5079	Unch
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4075	4100	-25
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Oct-17	21-Oct-17	
Punjab	Bhatinda	J-34	3800	3790	10
	Abohar	J-34	3810	3795	15
	Mansa	J-34	3790	3780	10

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3830	3810	20
Rajasthan	Sri-Ganganagar	J-34	3638	Closed	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Oct-17	21-Oct-17	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	Closed	Closed	-
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	Closed	Closed	-
	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	3000	1500	1500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	1360	3740
	Fatehabad	B.T. Cotton	400	100	300
	Jind	B.T. Cotton	1020	1190	-170
	Uchana	B.T. Cotton	2500	3000	-500
	Dabwali	B.T. Cotton	600	1000	-400
Rajasthan	Hanumangarh	B.T. Cotton	2000	Closed	-
	Rawatsar	B.T. Cotton	1000	Closed	-
Madhya Pradesh	Khandwa	Mech-1	500	Closed	-
	Khargaon	Mech-1	NA	Closed	-
Maharashtra	Amravati	Mech-1	300	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	Closed	-
	Hathras	Desi	80	Closed	-
Telangana	Adilabad	Un-Ginned	16772	1921	14851
Andhra Pradesh	Guntur	Un-Ginned	NA	35	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	2060	982	1078
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1882	2445	-563
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Oct-17	21-Oct-17	

Punjab	Bhatinda	J-34	2040	1700	340
	Abohar	J-34	1020	850	170
	Mansa	J-34	680	170	510
Haryana	Sirsa	J-34	850	136	714
Rajasthan	Sri-Ganganagar	J-34	300	Closed	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				18-Oct-17	17-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	35200	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38100	38400	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	38500	38800	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40300	40900	-600
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42000	42600	-600
DCH-32(107)	34mm	3.0 - 3.8	33	49500	50000	-500

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

Centre	Unit	Price		Change
		23-Oct-17	21-Oct-17	
Rajkot	Rs. /10 Kg.	Closed	Closed	-
New Delhi	Rs. /10 Kg.	635	Closed	-
Hyderabad	Rs. /10 Kg.	645	Closed	-
Mumbai	Rs. /10 Kg.	673	Closed	-

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

Centre	Unit	Price		Change
		23-Oct-17	21-Oct-17	
Mahesana (Kadi)	Rs./Qtl	Closed	Closed	-
Akola	Rs./Qtl	1408	Closed	-

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 23-October-2017

Index	Cents/lb	Change
FC Index (S)	81.36	-0.85
FC Index (M)	77.17	-0.87
FC Index (L)	75.02	-0.92

Cotlook Index: As on 20-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	77.60	-0.25

USDA Cotton Spot Rates: As on 20-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	67.63	68.88	NIL
North Delta	66.88	68.13	NIL
South Delta	66.88	68.13	NIL
East TX-OK	65.75	67.25	835
West Texas	65.25	66.75	1051
Desert SW	61.63	65.63	132
SJ Valley	62.63	71.53	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 20-October-2017

Contract	Open	High	Low	Close	Change
Dec-17	67.30	67.58	66.84	66.88	-0.43
Mar-18	67.04	67.27	66.75	66.77	-0.24
May-18	68.12	68.25	67.75	67.76	-0.26
Jul-18	68.80	68.90	68.47	68.49	-0.25
Oct-18	67.37	67.37	67.37	67.37	-0.23
Dec-18	67.92	67.92	67.76	67.76	-0.22

Pakistan Cotton Spot rates: As on 21-October-2017

(in Pakistan Rupees)

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

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