

## Domestic Fundamentals:

**Market Outlook:** Steady to firm tone featured in cotton spot markets on Tuesday.

**In The News:** In a move to ensure better remunerative prices to the farmers, the Gujarat govt. had declared a bonus of Rs 200 per 20 kg of the cotton sold directly to the Cotton Corporation of India (CCI) which is in addition to the MSP (Minimum Support Price) paid for the crop.

To mitigate for the loss incurred due to the untimely rain in Telangana, the Communist Party of India(Marxist) Telangana State committee had demanded the state govt. to procure cotton crop from the farmers at a support price of Rs 7,000/quintal.

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.

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 Resarch (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:

According to China's General Administration of Customs, China imported 441,571 metric tonnes of cotton from U.S. during the period January –September 2017, an increase of 140.48% compared to the same period previous year. In the month of September 2017, China's imports of cotton from U.S. increased by 89.62% to 33,594 metric tonnes.

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)	-1.50	876	879	873	877	1692	-582	6363	-570

Spread	Cont (C1)		
Spot	63	-	-
	-	-	-

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	220.00	19200	19220	18950	18960	417	90	1014	-1895
Nov-17	-30.00	18480	18500	18360	18440	631	-447	3315	902

Spread	Oct-17	Nov-17	-	-	--	--
Spot		520		-	-	-
Oct-17				-	-	-

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

\* Updated at 05:43 pm as on 24–Oct 2017

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	24-Oct-17	23-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	5000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4820	4750	70
	Fatehabad	B.T. Cotton	4950	4750	200
	Jind	B.T. Cotton	5030	4850	180
	Uchana	B.T. Cotton	4815	4670	145
	Dabwali	B.T. Cotton	4715	4655	60
Rajasthan	Hanumangarh	B.T. Cotton	4800	4750	50
	Rawatsar	B.T. Cotton	4800	4700	100
Madhya Pradesh	Khandwa	Mech-1	4570	4500	70
	Khargaon	Mech-1	4700	NA	-
Maharashtra	Amravati	Mech-1	4200	4100	100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	5800	Unch
	Hathras	Desi	4750	4750	Unch
Telangana	Adilabad	Un-Ginned	4550	4500	50
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5176	5079	97
	Hubli	D.C.H.	NA	4739	-
	Hubli	B.T. Cotton	NA	5555	-
	Raichur	H-44 Cotton	4100	4075	25
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	24-Oct-17	23-Oct-17	
Punjab	Bhatinda	J-34	3875	3800	75
	Abohar	J-34	3880	3810	70

	Mansa	J-34	3865	3790	75
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3890	3830	60
Rajasthan	Sri-Ganganagar	J-34	3666	3638	28

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Oct-17	23-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	4000	3000	1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4250	5100	-850
	Fatehabad	B.T. Cotton	600	400	200
	Jind	B.T. Cotton	850	1020	-170
	Uchana	B.T. Cotton	2165	2500	-335
	Dabwali	B.T. Cotton	550	600	-50
Rajasthan	Hanumangarh	B.T. Cotton	900	2000	-1100
	Rawatsar	B.T. Cotton	500	1000	-500
Madhya Pradesh	Khandwa	Mech-1	200	500	-300
	Khargaon	Mech-1	6300	NA	-
Maharashtra	Amravati	Mech-1	7000	3000	4000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	150	Unch
	Hathras	Desi	50	80	-30
Telangana	Adilabad	Un-Ginned	28015	16772	11243
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	1240	2060	-820
	Hubli	D.C.H.	NA	6	-
	Hubli	B.T. Cotton	NA	2	-
	Raichur	H-44 Cotton	1545	1882	-337
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	24-Oct-17	23-Oct-17	
Punjab	Bhatinda	J-34	2550	2040	510
	Abohar	J-34	1190	1020	170
	Mansa	J-34	510	680	-170
Haryana	Sirsa	J-34	680	850	-170
Rajasthan	Sri-Ganganagar	J-34	170	300	-130

**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
		24-Oct-17	23-Oct-17	
Rajkot	Rs. /10 Kg.	Closed	Closed	-
New Delhi	Rs. /10 Kg.	635	635	Unch
Hyderabad	Rs. /10 Kg.	645	645	Unch
Mumbai	Rs. /10 Kg.	675	673	2

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

Centre	Unit	Price		Change
		24-Oct-17	23-Oct-17	
Mahesana (Kadi)	Rs./Qtl	Closed	Closed	-
Akola	Rs./Qtl	1413	1408	5

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 24-October-2017**

Index	RMB/Ton	Change
CCIndex(328)	15888	-103

CCIndex(527)	14911	-1
CCIndex(229)	16489	-3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 24-October-2017**

Index	Cents/lb	Change
FC Index (S)	83.99	2.63
FC Index (M)	79.82	2.65
FC Index (L)	77.62	2.60

**Cotlook Index: As on 23-October-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	77.70	0.10

**USDA Cotton Spot Rates: As on 23-October-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	70.47	71.72	128
North Delta	69.72	70.97	NIL
South Delta	69.72	70.97	NIL
East TX-OK	67.75	69.25	2659
West Texas	67.25	68.75	320
Desert SW	64.47	68.47	NIL
SJ Valley	65.47	74.37	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 23-October-2017**

Contract	Open	High	Low	Close	Change
Dec-17	66.89	69.79	66.89	69.72	2.84
Mar-18	66.83	69.25	66.83	69.19	2.42
May-18	67.82	70.06	67.82	70.05	2.29
Jul-18	68.75	70.60	68.75	70.59	2.10
Oct-18	69.09	69.09	69.09	69.09	1.72
Dec-18	68.25	69.25	68.25	69.18	1.42

<b>Pakistan Cotton Spot rates: As on 23-October-2017</b>				<b>(in Pakistan Rupees)</b>
<b>Product</b>	<b>Rate for</b>	<b>Ex-Gin Price</b>	<b>Up Country Sales</b>	<b>Spot Rate Karachi</b>
<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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