

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mixed tone on Thursday.

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)	-2	875	875.00	872.00	876.5	823	-614	6655	-18

Spread	Cont (C1)		
Spot	88.50	-	-
	-	-	-

Updated at 05:00 pm as on 26–Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-30	18960.00	19080.00	18920.00	18980.00	167	-119	628	-161
Nov-17	-30.00	18560.00	18560.00	18310.00	18420.00	298	-188	3410	80

Spread	Oct-17	Nov-17	-	-	--	--
Spot		560		-	-	-
Oct-17				-	-	-

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

* Updated at 05:00 pm as on 26–Oct 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Oct-17	25-Oct-17	
Gujarat	Ahmedabad	Shankar-6	4750	4875	-125
	Gondal	Shankar-6	4780	4755	25
	Rajkot	B.T. Cotton	4825	4715	110
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	4700	4750	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4535	4575	-40
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	4855	4800	55
	Fatehabad	B.T. Cotton	4870	4870	Unch
	Jind	B.T. Cotton	5010	4950	60
	Uchana	B.T. Cotton	4864	4854	10
	Dabwali	B.T. Cotton	4720	4650	70
Rajasthan	Hanumangarh	B.T. Cotton	4800	4800	Unch
	Rawatsar	B.T. Cotton	4700	4750	-50
Madhya Pradesh	Khandwa	Mech-1	4650	4600	50
	Khargaon	Mech-1	4795	4760	35
Maharashtra	Amravati	Mech-1	4275	4250	25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6100	6000	100
	Hathras	Desi	4900	4800	100
Telangana	Adilabad	Un-Ginned	4500	4570	-70
Andhra Pradesh	Guntur	Un-Ginned	3300	3500	-200
	Kurnool	Un-Ginned	NA	4149	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	4966	-
	Hubli	D.C.H.	NA	4755	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4220	4180	40
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Oct-17	25-Oct-17	
Punjab	Bhatinda	J-34	3875	3855	20
	Abohar	J-34	3870	3850	20

	Mansa	J-34	3865	3840	25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3890	3860	30
Rajasthan	Sri-Ganganagar	J-34	3647	3619	28

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Oct-17	25-Oct-17	
Gujarat	Ahmedabad	Shankar-6	34000	30600	3400
	Gondal	Shankar-6	1923	2740	-817
	Rajkot	B.T. Cotton	1800	8000	-6200
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	12500	10000	2500
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	74	345	-271
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	4000	-1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	5950	-850
	Fatehabad	B.T. Cotton	400	600	-200
	Jind	B.T. Cotton	935	1360	-425
	Uchana	B.T. Cotton	2770	3230	-460
	Dabwali	B.T. Cotton	750	1350	-600
Rajasthan	Hanumangarh	B.T. Cotton	3000	2500	500
	Rawatsar	B.T. Cotton	600	1000	-400
Madhya Pradesh	Khandwa	Mech-1	300	400	-100
	Khargaon	Mech-1	6240	5210	1030
Maharashtra	Amravati	Mech-1	9000	7000	2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	200	125	75
	Hathras	Desi	85	50	35
Telangana	Adilabad	Un-Ginned	NA	27381	-
Andhra Pradesh	Guntur	Un-Ginned	1130	280	850
	Kurnool	Un-Ginned	NA	143	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	1355	-
	Hubli	D.C.H.	NA	12	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1800	2055	-255
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	26-Oct-17	25-Oct-17	
Punjab	Bhatinda	J-34	5950	5100	850
	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	510	850	-340
Haryana	Sirsa	J-34	510	850	-340
Rajasthan	Sri-Ganganagar	J-34	250	200	50

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				25-Oct-17	24-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	35500	35200	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38000	38100	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	38400	38500	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40000	40200	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41800	42000	-200
DCH-32(107)	34mm	3.0 - 3.8	33	49500	49500	Unch

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

Centre	Unit	Price		Change
		26-Oct-17	25-Oct-17	
Rajkot	Rs. /10 Kg.	652	635	17
New Delhi	Rs. /10 Kg.	635	635	Unch
Hyderabad	Rs. /10 Kg.	645	645	Unch
Mumbai	Rs. /10 Kg.	675	675	Unch

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

Centre	Unit	Price		Change
		26-Oct-17	25-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1417	1453	-36
Akola	Rs./Qtl	1501	1507	-6

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 26-October-2017

Index	RMB/Ton	Change
CCIndex(328)	15986	-1

CCIndex(527)	14903	-6
CCIndex(229)	16486	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 26-October-2017

Index	Cents/lb	Change
FC Index (S)	83.85	Unch
FC Index (M)	79.62	Unch
FC Index (L)	77.39	Unch

Cotlook Index: As on 25-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	80.25	-0.15

USDA Cotton Spot Rates: As on 25-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	70.06	71.31	NIL
North Delta	68.81	70.06	1500
South Delta	68.81	70.06	NIL
East TX-OK	67.75	69.25	843
West Texas	67.25	68.75	133
Desert SW	64.06	68.06	NIL
SJ Valley	65.06	73.96	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 25-October-2017

Contract	Open	High	Low	Close	Change
Dec-17	69.57	69.90	69.12	69.31	-0.23
Mar-18	69.10	69.44	68.89	69.06	-0.07
May-18	70.15	70.40	69.99	70.06	-0.02
Jul-18	70.75	70.99	70.52	70.68	Unch
Oct-18	69.25	69.25	69.25	69.25	0.09
Dec-18	69.35	69.81	69.35	69.45	0.15

Pakistan Cotton Spot rates: As on 25-October-2017				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6300	145	6445
Equivalent	40 Kgs	6752	155	6907

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