

## Domestic Fundamentals:

**Market Outlook:** Cotton spot market noticed mixed tone on Friday.

**In The News:** In line with the bonus payment announced to the cotton farmers in Gujarat; the cotton grower in Maharashtra too demanded a bonus payment of at least Rs 500/quintal for their product from the government.

In a move to ensure better remunerative prices to the farmers, the Gujarat govt. had declared a bonus of Rs 100 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)	-0.5	871	878.00	870.00	873	1,580	757	6725	70

Spread	Cont (C1)		
Spot	82.00	-	-
	-	-	-

Updated at 05:00 pm as on 27–Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	110	18920.00	19050.00	18920.00	18930.00	343	176	373	-255
Nov-17	-30.00	18300.00	18420.00	18300.00	18330.00	366	68	3587	177

Spread	Oct-17	Nov-17	-	-	--	--
Spot		600		-	-	-
Oct-17				-	-	-

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

\* Updated at 05:00 pm as on 27–Oct 2017

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	27-Oct-17	26-Oct-17	
Gujarat	Ahmedabad	Shankar-6	4700	4750	-50
	Gondal	Shankar-6	Closed	4780	-
	Rajkot	B.T. Cotton	4775	4825	-50
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	4650	4700	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4575	4535	40
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4950	5000	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4790	4855	-65
	Fatehabad	B.T. Cotton	4860	4870	-10
	Jind	B.T. Cotton	4973	5010	-37
	Uchana	B.T. Cotton	4850	4864	-14
	Dabwali	B.T. Cotton	4695	4720	-25
Rajasthan	Hanumangarh	B.T. Cotton	4800	4800	Unch
	Rawatsar	B.T. Cotton	4675	4700	-25
Madhya Pradesh	Khandwa	Mech-1	4620	4650	-30
	Khargaon	Mech-1	4860	4795	65
Maharashtra	Amravati	Mech-1	4200	4275	-75
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	6100	-
	Hathras	Desi	NR	4900	-
Telangana	Adilabad	Un-Ginned	4580	4500	80
Andhra Pradesh	Guntur	Un-Ginned	3000	3300	-300
	Kurnool	Un-Ginned	4409	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	4876	5049	-173
	Hubli	D.C.H.	NA	4709	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4301	4220	81
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	27-Oct-17	26-Oct-17	
Punjab	Bhatinda	J-34	3865	3875	-10
	Abohar	J-34	3860	3870	-10

	Mansa	J-34	3845	3865	<b>-20</b>
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	3880	3890	<b>-10</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	3600	3647	<b>-47</b>

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Oct-17	26-Oct-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	34000	34000	<b>Unch</b>
	Gondal	Shankar-6	Closed	1923	-
	Rajkot	B.T. Cotton	5400	1800	<b>3600</b>
	Patan	B.T. Cotton	Closed	NA	-
	Kadi	B.T. Cotton	15000	12500	<b>2500</b>
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	101	74	<b>27</b>
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	3000	3000	<b>Unch</b>
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	5100	<b>1700</b>
	Fatehabad	B.T. Cotton	700	400	<b>300</b>
	Jind	B.T. Cotton	1190	935	<b>255</b>
	Uchana	B.T. Cotton	3100	2770	<b>330</b>
	Dabwali	B.T. Cotton	1100	750	<b>350</b>
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	3000	3000	<b>Unch</b>
	Rawatsar	B.T. Cotton	1000	600	<b>400</b>
<b>Madhya Pradesh</b>	Khandwa	Mech-1	500	300	<b>200</b>
	Khargaon	Mech-1	6500	6240	<b>260</b>
<b>Maharashtra</b>	Amravati	Mech-1	6000	9000	<b>-3000</b>
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NR	200	-
	Hathras	Desi	NR	85	-
<b>Telangana</b>	Adilabad	Un-Ginned	18705	NA	-
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	130	1130	<b>-1000</b>
	Kurnool	Un-Ginned	274	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	1600	1985	<b>-385</b>
	Hubli	D.C.H.	NA	6	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1942	1800	<b>142</b>
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>

State	Centre	Variety	27-Oct-17	26-Oct-17	
Punjab	Bhatinda	J-34	5950	5950	Unch
	Abohar	J-34	1530	1020	510
	Mansa	J-34	510	510	Unch
Haryana	Sirsa	J-34	850	510	340
Rajasthan	Sri-Ganganagar	J-34	250	250	Unch

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				26-Oct-17	25-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	35500	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38000	38000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38400	38400	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40000	40000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41800	41800	Unch
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
		27-Oct-17	26-Oct-17	
Rajkot	Rs. /10 Kg.	654	652	2
New Delhi	Rs. /10 Kg.	640	635	5
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
		27-Oct-17	26-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1408	1417	-9
Akola	Rs./Qtl	1501	1501	Unch

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 27-October-2017**

Index	RMB/Ton	Change
CCIndex(328)	15992	6

CCIndex(527)	14908	5
CCIndex(229)	16496	10
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 27-October-2017**

Index	Cents/lb	Change
FC Index (S)	82.79	-1.06
FC Index (M)	78.54	-1.08
FC Index (L)	76.42	-0.97

**Cotlook Index: As on 26-October-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	80.25	Unch

**USDA Cotton Spot Rates: As on 26-October-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.44	70.69	933
North Delta	67.69	68.94	2249
South Delta	67.69	68.94	NIL
East TX-OK	67.25	68.75	1973
West Texas	66.75	68.25	5555
Desert SW	62.94	66.94	NIL
SJ Valley	63.94	72.84	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 26-October-2017**

Contract	Open	High	Low	Close	Change
Dec-17	69.25	69.27	68.10	68.19	-1.12
Mar-18	68.86	68.99	67.98	68.06	-1.00
May-18	69.60	69.97	69.03	69.10	-0.96
Jul-18	70.20	70.31	69.75	69.83	-0.85
Oct-18	69.20	69.34	69.20	69.34	0.09
Dec-18	69.00	69.11	68.72	68.92	-0.53

<b>Pakistan Cotton Spot rates: As on 26-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>	6300	145	6445
<b>Equivalent</b>	<b>40 Kgs</b>	6752	155	6907

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