

Domestic Fundamentals:

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

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Oct-17	27-Oct-17	
Gujarat	Ahmedabad	Shankar-6	4700	4700	Unch
	Gondal	Shankar-6	4780	Closed	-
	Rajkot	B.T. Cotton	4725	4775	-50
	Patan	B.T. Cotton	NR	Closed	-
	Kadi	B.T. Cotton	4700	4650	50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	4575	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4930	4950	-20
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4780	4790	-10
	Fatehabad	B.T. Cotton	4850	4860	-10
	Jind	B.T. Cotton	4990	4973	17
	Uchana	B.T. Cotton	4812	4850	-38
	Dabwali	B.T. Cotton	4675	4695	-20
Rajasthan	Hanumangarh	B.T. Cotton	4700	4800	-100
	Rawatsar	B.T. Cotton	4700	4675	25
Madhya Pradesh	Khandwa	Mech-1	4620	4620	Unch
	Khargaon	Mech-1	4760	4860	-100
Maharashtra	Amravati	Mech-1	4200	4200	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6000	NR	-
	Hathras	Desi	4900	NR	-
Telangana	Adilabad	Un-Ginned	4580	4580	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	3000	-
	Kurnool	Un-Ginned	NA	4409	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	4876	-
	Hubli	D.C.H.	4831	4755	76
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4311	4301	10
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Oct-17	27-Oct-17	
Punjab	Bhatinda	J-34	3860	3865	-5
	Abohar	J-34	3855	3860	-5
	Mansa	J-34	3845	3845	Unch

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3880	3880	Unch
Rajasthan	Sri-Ganganagar	J-34	3619	3600	19

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Oct-17	27-Oct-17	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	2754	Closed	-
	Rajkot	B.T. Cotton	650	5400	-4750
	Patan	B.T. Cotton	NR	Closed	-
	Kadi	B.T. Cotton	30000	15000	15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	101	-
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	5100	6800	-1700
	Fatehabad	B.T. Cotton	850	700	150
	Jind	B.T. Cotton	1020	1190	-170
	Uchana	B.T. Cotton	3070	3100	-30
	Dabwali	B.T. Cotton	950	1100	-150
Rajasthan	Hanumangarh	B.T. Cotton	2500	3000	-500
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	500	500	Unch
	Khargaon	Mech-1	7910	6500	1410
Maharashtra	Amravati	Mech-1	5000	6000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	300	NR	-
	Hathras	Desi	60	NR	-
Telangana	Adilabad	Un-Ginned	21541	18705	2836
Andhra Pradesh	Guntur	Un-Ginned	NA	130	-
	Kurnool	Un-Ginned	NA	274	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	1600	-
	Hubli	D.C.H.	36	36	Unch
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	2115	1942	173
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Oct-17	27-Oct-17	

Punjab	Bhatinda	J-34	8500	5950	2550
	Abohar	J-34	1360	1530	-170
	Mansa	J-34	510	510	Unch
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	500	250	250

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				27-Oct-17	26-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	35600	35500	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37900	38000	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	38300	38400	-100
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
		28-Oct-17	27-Oct-17	
Rajkot	Rs. /10 Kg.	645	654	-9
New Delhi	Rs. /10 Kg.	640	640	Unch
Hyderabad	Rs. /10 Kg.	645	645	Unch
Mumbai	Rs. /10 Kg.	680	675	5

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

Centre	Unit	Price		Change
		28-Oct-17	27-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1410	1408	2
Akola	Rs./Qtl	1496	1501	-5

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 27-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	79.10	-1.00

USDA Cotton Spot Rates: As on 27-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	68.95	70.20	1107
North Delta	67.70	68.95	NIL
South Delta	67.70	68.95	NIL
East TX-OK	67.75	69.25	1322
West Texas	67.25	68.75	1604
Desert SW	62.95	66.95	NIL
SJ Valley	63.95	72.85	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 27-October-2017

Contract	Open	High	Low	Close	Change
Dec-17	68.49	68.49	67.80	68.20	0.01
Mar-18	68.19	68.21	67.69	68.11	0.05
May-18	69.15	69.22	68.76	69.16	0.06
Jul-18	69.89	69.94	69.50	69.89	0.06
Oct-18	69.39	69.39	69.39	69.39	0.05
Dec-18	68.97	68.97	68.60	68.97	0.05

<u>Pakistan Cotton Spot rates: As on 27-October-2017</u>				(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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