

Domestic Fundamentals:

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

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)	-9	871	871.50	863.00	874	2,424	844	6818	93

Spread	Cont (C1)		
Spot	81.00	-	-
	-	-	-

Updated at 05:00 pm as on 30-Oct 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	-190	19150.00	19150.00	18850.00	19090.00	199	-144	263	-110
Nov-17	-	18180.00	18220.00	18100.00	18270.00	396	30	3554	-33

Spread	Oct-17	Nov-17	-	-	--	--
Spot		820		-	-	-
Oct-17				-	-	-

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

* Updated at 05:00 pm as on 30-Oct 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	30-Oct-17	28-Oct-17	
Gujarat	Ahmedabad	Shankar-6	4625	4700	-75
	Gondal	Shankar-6	4780	4780	Unch
	Rajkot	B.T. Cotton	4670	4725	-55
	Patan	B.T. Cotton	NR	NR	-
	Kadi	B.T. Cotton	4800	4700	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4535	4625	-90
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4850	4930	-80
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4680	4780	-100
	Fatehabad	B.T. Cotton	4750	4850	-100
	Jind	B.T. Cotton	4700	4990	-290
	Uchana	B.T. Cotton	4782	4812	-30
	Dabwali	B.T. Cotton	4600	4675	-75
Rajasthan	Hanumangarh	B.T. Cotton	4700	4700	Unch
	Rawatsar	B.T. Cotton	4600	4700	-100
Madhya Pradesh	Khandwa	Mech-1	4400	4620	-220
	Khargaon	Mech-1	NR	4760	-
Maharashtra	Amravati	Mech-1	4250	4200	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6100	6000	100
	Hathras	Desi	4900	4900	Unch
Telangana	Adilabad	Un-Ginned	4510	4580	-70
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4777	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	4959	4876	83
	Hubli	D.C.H.	4845	4831	14
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4311	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	30-Oct-17	28-Oct-17	
Punjab	Bhatinda	J-34	3825	3860	-35

	Abohar	J-34	3830	3855	-25
	Mansa	J-34	3800	3845	-45
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3830	3880	-50
Rajasthan	Sri-Ganganagar	J-34	3544	3619	-75

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	30-Oct-17	28-Oct-17	
Gujarat	Ahmedabad	Shankar-6	42500	34000	8500
	Gondal	Shankar-6	3126	2754	372
	Rajkot	B.T. Cotton	4000	650	3350
	Patan	B.T. Cotton	NR	NR	-
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	373	206	167
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	2000	1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4250	5100	-850
	Fatehabad	B.T. Cotton	600	850	-250
	Jind	B.T. Cotton	510	1020	-510
	Uchana	B.T. Cotton	3500	3070	430
	Dabwali	B.T. Cotton	1550	950	600
Rajasthan	Hanumangarh	B.T. Cotton	2000	2500	-500
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	600	500	100
	Khargaon	Mech-1	NR	7910	-
Maharashtra	Amravati	Mech-1	4000	5000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	300	-150
	Hathras	Desi	60	60	Unch
Telangana	Adilabad	Un-Ginned	NA	21541	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	198	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1655	1600	55
	Hubli	D.C.H.	108	36	72
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	2115	-

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	30-Oct-17	28-Oct-17	
Punjab	Bhatinda	J-34	5950	8500	-2550
	Abohar	J-34	1530	1360	170
	Mansa	J-34	680	510	170
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	700	500	200

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				28-Oct-17	27-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	35600	Unch
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37800	37900	-100
Shankar-6(105)	29mm	3.5 – 4.9	28	38200	38300	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39900	40000	-100
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
		30-Oct-17	28-Oct-17	
Rajkot	Rs. /10 Kg.	641	645	-4
New Delhi	Rs. /10 Kg.	640	640	Unch
Hyderabad	Rs. /10 Kg.	650	645	5
Mumbai	Rs. /10 Kg.	675	680	-5

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

Centre	Unit	Price		Change
		30-Oct-17	28-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1498	1410	88
Akola	Rs./Qtl	1476	1496	-20

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 28-October-2017

Index	RMB/Ton	Change
CCIndex(328)	15998	6

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

China Foreign Cotton (FCE) Index : As on 30-October-2017

Index	Cents/lb	Change
FC Index (S)	82.79	Unch
FC Index (M)	78.54	Unch
FC Index (L)	76.42	Unch

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.): Ason 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

Pakistan Cotton Spot rates: As on 28-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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2017 Indian Agribusiness Systems Pvt. Ltd.