

Domestic Fundamentals:

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

In The News: With a view to control domestic cotton prices, the Indian Cotton Federation (ICF) had asked the govt. to procure 100 lakh bales of cotton from the farmers this season.

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.

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:

The International Cotton Advisory Committee (ICAC) had upraised its world's cotton output projection to 25.57 million tonnes in 2017-18 (01st October, 2017 -30th September, 2018).

Market player, Cotlook predicted global cotton production of 26.03 million tonnes in 2017-18 (01st October, 2017 - 30th September, 2018).

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.

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 31–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	-130.00	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 31–Oct 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	31-Oct-17	30-Oct-17	
Gujarat	Ahmedabad	Shankar-6	4625	4625	Unch
	Gondal	Shankar-6	4580	4780	-200
	Rajkot	B.T. Cotton	4625	4670	-45
	Patan	B.T. Cotton	NR	5005	-
	Kadi	B.T. Cotton	4750	4800	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4515	4535	-20
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4800	4850	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4670	4680	-10
	Fatehabad	B.T. Cotton	4750	4750	Unch
	Jind	B.T. Cotton	4720	4700	20
	Uchana	B.T. Cotton	4850	4782	68
	Dabwali	B.T. Cotton	4600	4600	Unch
Rajasthan	Hanumangarh	B.T. Cotton	4760	4700	60
	Rawatsar	B.T. Cotton	4575	4600	-25
Madhya Pradesh	Khandwa	Mech-1	Closed	4400	-
	Khargaon	Mech-1	4755	4760	-5
Maharashtra	Amravati	Mech-1	4200	4250	-50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6100	6100	Unch
	Hathras	Desi	4900	4900	Unch
Telangana	Adilabad	Un-Ginned	4550	4510	40
Andhra Pradesh	Guntur	Un-Ginned	4100	NA	-
	Kurnool	Un-Ginned	NA	4777	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	4859	4959	-100
	Hubli	D.C.H.	NA	4845	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4300	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	31-Oct-17	30-Oct-17	
Punjab	Bhatinda	J-34	3820	3825	-5

	Abohar	J-34	3820	3830	-10
	Mansa	J-34	3810	3800	10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3830	3830	Unch
Rajasthan	Sri-Ganganagar	J-34	3544	3544	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	31-Oct-17	30-Oct-17	
Gujarat	Ahmedabad	Shankar-6	28900	42500	-13600
	Gondal	Shankar-6	2131	3126	-995
	Rajkot	B.T. Cotton	3200	4000	-800
	Patan	B.T. Cotton	NR	7960	-
	Kadi	B.T. Cotton	25000	30000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	319	373	-54
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	3400	4250	-850
	Fatehabad	B.T. Cotton	450	600	-150
	Jind	B.T. Cotton	595	510	85
	Uchana	B.T. Cotton	1830	3500	-1670
	Dabwali	B.T. Cotton	1000	1550	-550
Rajasthan	Hanumangarh	B.T. Cotton	3000	2000	1000
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	600	-
	Khargaon	Mech-1	9100	7910	1190
Maharashtra	Amravati	Mech-1	7000	4000	3000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	150	Unch
	Hathras	Desi	60	60	Unch
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	60	NA	-
	Kurnool	Un-Ginned	NA	198	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	3830	1655	2175
	Hubli	D.C.H.	NA	108	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	2745	-
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	31-Oct-17	30-Oct-17	
Punjab	Bhatinda	J-34	8500	5950	2550
	Abohar	J-34	1360	1530	-170
	Mansa	J-34	510	680	-170
Haryana	Sirsa	J-34	680	850	-170
Rajasthan	Sri-Ganganagar	J-34	500	700	-200

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				30-Oct-17	28-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	35400	35600	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37600	37800	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	38000	38200	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39300	39900	-600
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41500	41800	-300
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
		31-Oct-17	30-Oct-17	
Rajkot	Rs. /10 Kg.	640	641	-1
New Delhi	Rs. /10 Kg.	640	640	Unch
Hyderabad	Rs. /10 Kg.	650	650	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
		31-Oct-17	30-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1596	1498	98
Akola	Rs./Qtl	1461	1476	-15

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 31-October-2017

Index	RMB/Ton	Change
CCIndex(328)	15998	Unch

CCIndex(527)	14908	Unch
CCIndex(229)	16498	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 31-October-2017

Index	Cents/lb	Change
FC Index (S)	83.21	0.42
FC Index (M)	78.92	0.38
FC Index (L)	76.92	0.50

Cotlook Index: As on 30-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	79.10	Unch

USDA Cotton Spot Rates: As on 30-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.39	70.64	NIL
North Delta	68.14	69.39	NIL
South Delta	68.14	69.39	NIL
East TX-OK	68.25	69.75	2088
West Texas	67.75	69.25	1665
Desert SW	63.39	67.39	NIL
SJ Valley	64.64	73.54	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 30-October-2017

Contract	Open	High	Low	Close	Change
Dec-17	68.00	69.20	67.95	68.64	0.44
Mar-18	68.00	68.90	67.87	68.58	0.47
May-18	68.96	69.90	68.96	69.65	0.49
Jul-18	69.96	70.53	69.70	70.36	0.47
Oct-18	69.88	69.88	69.88	69.88	0.49
Dec-18	69.08	69.50	69.08	69.47	0.50

Pakistan Cotton Spot rates: As on 30-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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