

## Domestic Fundamentals:

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

**In The News:** With a view to protect domestic manufacturing industry from foreign competition (especially from China), the Indian govt. had raised basic customs duty (BCD) on polyester/man-made fabric from 10 per cent to 20 per cent.

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, Telangana & 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).



### International Fundamentals:

In a meeting scheduled on 9th November, 2017, the Cotton Crop Assessment Committee (CCAC) is expected to project Pakistan cotton crop at 12.9 million bales for 2017-18.

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)	2	865.5	871.00	865.50	867.5	1,164	-1,260	6735	-83

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

Updated at 05:00 pm as on 01–Nov 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	20	18990.00	19090.00	18860.00	19040.00	202	3	135	-128
Nov-17	90.00	18180.00	18300.00	18180.00	18170.00	303	-93	3607	53

Spread	Oct-17	Nov-17	-	-	--	--
Spot		870		-	-	-
Oct-17				-	-	-

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

\* Updated at 05:00 pm as on 01, Nov 2017



### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	6-Nov-17	4-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4700	4700	Unch
	Gondal	Shankar-6	4665	4605	60
	Rajkot	B.T. Cotton	4690	4680	10
	Patan	B.T. Cotton	4685	Closed	-
	Kadi	B.T. Cotton	4800	4750	50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4630	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4850	4900	-50
	Bhiwani	Desi	4850	4900	-50
	Adampur	B.T. Cotton	4725	4820	-95
	Fatehabad	B.T. Cotton	4780	4820	-40
	Jind	B.T. Cotton	4900	4850	50
	Uchana	B.T. Cotton	4808	4800	8
	Dabwali	B.T. Cotton	4635	4650	-15
Rajasthan	Hanumangarh	B.T. Cotton	4800	4800	Unch
	Rawatsar	B.T. Cotton	4700	4650	50
Madhya Pradesh	Khandwa	Mech-1	4500	Closed	-
	Khargaon	Mech-1	4750	4750	Unch
Maharashtra	Amravati	Mech-1	4450	4400	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	5850	-
	Hathras	Desi	NR	4850	-
Telangana	Adilabad	Un-Ginned	4530	4510	20
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4300	NA	-
Karnataka	Bijapur	Bunny	4716	4759	-43
	Hubli	D.C.H.	NA	4869	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4200	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	6-Nov-17	4-Nov-17	
Punjab	Bhatinda	J-34	3865	3870	-5
	Abohar	J-34	3860	3870	-10



	Mansa	J-34	3850	3860	-10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	3870	3875	-5
<b>Rajasthan</b>	Sri-Ganganagar	J-34	3572	3572	Unch

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	6-Nov-17	4-Nov-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	54400	42500	11900
	Gondal	Shankar-6	3951	1674	2277
	Rajkot	B.T. Cotton	4250	3950	300
	Patan	B.T. Cotton	16095	Closed	-
	Kadi	B.T. Cotton	15000	20000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	426	NA	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	3000	4000	-1000
	Bhiwani	Desi	15	NA	-
	Adampur	B.T. Cotton	850	850	Unch
	Fatehabad	B.T. Cotton	700	800	-100
	Jind	B.T. Cotton	340	510	-170
	Uchana	B.T. Cotton	3070	2888	182
	Dabwali	B.T. Cotton	1150	550	600
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	2200	2000	200
	Rawatsar	B.T. Cotton	800	1000	-200
<b>Madhya Pradesh</b>	Khandwa	Mech-1	600	Closed	-
	Khargaon	Mech-1	8230	8230	Unch
<b>Maharashtra</b>	Amravati	Mech-1	7000	7000	Unch
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NR	35	-
	Hathras	Desi	NR	10	-
<b>Telangana</b>	Adilabad	Un-Ginned	NA	1011	-
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	2990	2537	453
	Hubli	D.C.H.	NA	148	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1965	-
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>



State	Centre	Variety	6-Nov-17	4-Nov-17	
Punjab	Bhatinda	J-34	5100	5440	-340
	Abohar	J-34	1190	1190	Unch
	Mansa	J-34	340	425	-85
Haryana	Sirsa	J-34	510	510	Unch
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				4-Nov-17	3-Nov-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	35700	35700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37900	37900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38100	38100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39400	39400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41600	41600	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
		6-Nov-17	4-Nov-17	
Rajkot	Rs. /10 Kg.	640	645	-5
New Delhi	Rs. /10 Kg.	644	Closed	-
Hyderabad	Rs. /10 Kg.	645	645	Unch
Mumbai	Rs. /10 Kg.	665	670	-5

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

Centre	Unit	Price		Change
		6-Nov-17	4-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1599	1631	-32
Akola	Rs./Qtl	1533	1478	55

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 6-November-2017**

Index	RMB/Ton	Change
CCIndex(328)	16016	9



CCIndex(527)	14926	Unch
CCIndex(229)	16516	3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 06-November-2017**

Index	Cents/lb	Change
FC Index (S)	83.56	-0.24
FC Index (M)	79.17	-0.30
FC Index (L)	77.07	-0.36

**Cotlook Index: As on 03-November-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	79.75	0.75

**USDA Cotton Spot Rates: As on 03-November-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.47	70.72	NIL
North Delta	67.97	69.47	379
South Delta	67.97	69.47	NIL
East TX-OK	67.75	69.25	7528
West Texas	68.25	69.75	3321
Desert SW	63.47	67.47	NIL
SJ Valley	64.72	73.62	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 03-November-2017**

Contract	Open	High	Low	Close	Change
Dec-17	69.06	69.37	68.35	68.72	-0.36
Mar-18	68.92	69.12	68.40	68.77	-0.20
May-18	69.89	70.18	69.47	69.85	-0.18
Jul-18	70.53	70.88	70.15	70.57	-0.16
Oct-18	69.82	69.82	69.82	69.82	-0.16
Dec-18	69.65	69.95	69.45	69.76	-0.07



<b>Pakistan Cotton Spot rates: As on 04-November-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>	6400	145	6545
<b>Equivalent</b>	<b>40 Kgs</b>	6859	155	7014

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