

## Domestic Fundamentals:

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

**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.

#### 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 07–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 07–Nov 2017

**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	7-Nov-17	6-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4850	4700	150
	Gondal	Shankar-6	4630	4665	-35
	Rajkot	B.T. Cotton	4700	4690	10
	Patan	B.T. Cotton	4600	4685	-85
	Kadi	B.T. Cotton	4750	4800	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4600	4630	-30
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4825	4850	-25
	Bhiwani	Desi	4825	4850	-25
	Adampur	B.T. Cotton	4700	4725	-25
	Fatehabad	B.T. Cotton	4770	4780	-10
	Jind	B.T. Cotton	4920	4900	20
	Uchana	B.T. Cotton	4811	4808	3
	Dabwali	B.T. Cotton	4575	4635	-60
Rajasthan	Hanumangarh	B.T. Cotton	4750	4800	-50
	Rawatsar	B.T. Cotton	4625	4700	-75
Madhya Pradesh	Khandwa	Mech-1	4600	4500	100
	Khargaon	Mech-1	4705	4750	-45
Maharashtra	Amravati	Mech-1	4450	4450	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NR	-
	Hathras	Desi	NR	NR	-
Telangana	Adilabad	Un-Ginned	3050	4530	-1480
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4300	20
Karnataka	Bijapur	Bunny	NA	4716	-
	Hubli	D.C.H.	4873	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	7-Nov-17	6-Nov-17	
Punjab	Bhatinda	J-34	3865	3865	Unch
	Abohar	J-34	3865	3860	5
	Mansa	J-34	3855	3850	5
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-

Haryana	Sirsa	J-34	3850	3870	-20
Rajasthan	Sri-Ganganagar	J-34	3572	3572	Unch

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	7-Nov-17	6-Nov-17	
Gujarat	Ahmedabad	Shankar-6	42500	54400	-11900
	Gondal	Shankar-6	3705	3951	-246
	Rajkot	B.T. Cotton	3850	4250	-400
	Patan	B.T. Cotton	17598	16095	1503
	Kadi	B.T. Cotton	45000	15000	30000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	258	426	-168
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	3000	Unch
	Bhiwani	Desi	10	15	-5
	Adampur	B.T. Cotton	1190	850	340
	Fatehabad	B.T. Cotton	800	700	100
	Jind	B.T. Cotton	595	340	255
	Uchana	B.T. Cotton	2260	3070	-810
	Dabwali	B.T. Cotton	500	1150	-650
Rajasthan	Hanumangarh	B.T. Cotton	1500	2200	-700
	Rawatsar	B.T. Cotton	600	800	-200
Madhya Pradesh	Khandwa	Mech-1	800	600	200
	Khargaon	Mech-1	9120	8230	890
Maharashtra	Amravati	Mech-1	6000	7000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NR	-
	Hathras	Desi	NR	NR	-
Telangana	Adilabad	Un-Ginned	632	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	2990	-
	Hubli	D.C.H.	110	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	7-Nov-17	6-Nov-17	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	1190	1190	Unch

	Mansa	J-34	425	340	85
Haryana	Sirsa	J-34	680	510	170
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
				6-Nov-17	4-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40000	39900	100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41000	40900	100
J-34(202)	26mm	3.5 - 4.9	23	35700	35700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37700	37900	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	37800	38100	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39200	39400	-200
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
		7-Nov-17	6-Nov-17	
Rajkot	Rs. /10 Kg.	640	640	Unch
New Delhi	Rs. /10 Kg.	644	644	Unch
Hyderabad	Rs. /10 Kg.	650	645	5
Mumbai	Rs. /10 Kg.	665	665	Unch

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

Centre	Unit	Price		Change
		7-Nov-17	6-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1575	1599	-24
Akola	Rs./Qtl	1508	1533	-25

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 7-November-2017**

Index	RMB/Ton	Change
CCIndex(328)	16015	-1
CCIndex(527)	14927	1
CCIndex(229)	16515	-1
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	Unch
FC Index (M)	79.17	Unch
FC Index (L)	77.07	Unch

**Cotlook Index: As on 06-November-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	79.50	-0.25

**USDA Cotton Spot Rates: As on 06-November-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.60	70.85	NIL
North Delta	68.10	69.60	NIL
South Delta	68.10	69.60	808
East TX-OK	68.00	69.50	5495
West Texas	68.25	69.75	2591
Desert SW	63.60	67.60	NIL
SJ Valley	64.85	73.75	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 06-November-2017**

Contract	Open	High	Low	Close	Change
Dec-17	68.86	69.12	68.23	68.85	0.13
Mar-18	68.75	69.25	68.37	69.10	0.33
May-18	69.87	70.23	69.46	70.15	0.30
Jul-18	70.24	70.87	70.10	70.86	0.29
Oct-18	70.09	70.09	70.09	70.09	0.27
Dec-18	69.53	69.96	69.37	69.96	0.20

**Pakistan Cotton Spot rates: As on 06-November-2017**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6450	145	6595

Equivalent	40 Kgs	6912	155	7067
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