

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mixed tone Wednesday.

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

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	8-Nov-17	7-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4650	4850	-200
	Gondal	Shankar-6	4555	4630	-75
	Rajkot	B.T. Cotton	4675	4700	-25
	Patan	B.T. Cotton	4690	4600	90
	Kadi	B.T. Cotton	4800	4750	50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	4600	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4800	4825	-25
	Bhiwani	Desi	4800	4825	-25
	Adampur	B.T. Cotton	4700	4700	Unch
	Fatehabad	B.T. Cotton	4700	4770	-70
	Jind	B.T. Cotton	4800	4920	-120
	Uchana	B.T. Cotton	4893	4811	82
	Dabwali	B.T. Cotton	4540	4575	-35
Rajasthan	Hanumangarh	B.T. Cotton	4750	4750	Unch
	Rawatsar	B.T. Cotton	4625	4625	Unch
Madhya Pradesh	Khandwa	Mech-1	4600	4600	Unch
	Khargaon	Mech-1	4700	4705	-5
Maharashtra	Amravati	Mech-1	4500	4450	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6000	NR	-
	Hathras	Desi	4800	NR	-
Telangana	Adilabad	Un-Ginned	3050	3050	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	4789	-
	Hubli	D.C.H.	4875	4873	2
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4311	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	8-Nov-17	7-Nov-17	
Punjab	Bhatinda	J-34	3830	3865	-35
	Abohar	J-34	3850	3865	-15

	Mansa	J-34	3850	3855	-5
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3840	3850	-10
Rajasthan	Sri-Ganganagar	J-34	NR	3572	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	8-Nov-17	7-Nov-17	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	3258	3705	-447
	Rajkot	B.T. Cotton	2950	3850	-900
	Patan	B.T. Cotton	14630	17598	-2968
	Kadi	B.T. Cotton	35000	45000	-10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	258	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3500	3000	500
	Bhiwani	Desi	15	10	5
	Adampur	B.T. Cotton	1700	1190	510
	Fatehabad	B.T. Cotton	800	800	Unch
	Jind	B.T. Cotton	340	595	-255
	Uchana	B.T. Cotton	2305	2260	45
	Dabwali	B.T. Cotton	850	500	350
Rajasthan	Hanumangarh	B.T. Cotton	1500	1500	Unch
	Rawatsar	B.T. Cotton	700	600	100
Madhya Pradesh	Khandwa	Mech-1	1000	800	200
	Khargaon	Mech-1	8060	9120	-1060
Maharashtra	Amravati	Mech-1	7000	6000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	25	NR	-
	Hathras	Desi	12	NR	-
Telangana	Adilabad	Un-Ginned	632	632	Unch
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	3721	-
	Hubli	D.C.H.	422	110	312
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4635	-
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	8-Nov-17	7-Nov-17	
Punjab	Bhatinda	J-34	2550	5100	-2550
	Abohar	J-34	1360	1190	170
	Mansa	J-34	340	425	-85
Haryana	Sirsa	J-34	850	680	170
Rajasthan	Sri-Ganganagar	J-34	NR	500	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				7-Nov-17	6-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40000	40000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41000	41000	Unch
J-34(202)	26mm	3.5 - 4.9	23	35700	35700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37400	37700	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	37700	37800	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39100	39200	-100
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
		8-Nov-17	7-Nov-17	
Rajkot	Rs. /10 Kg.	645	640	5
New Delhi	Rs. /10 Kg.	645	644	1
Hyderabad	Rs. /10 Kg.	665	650	15
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
		8-Nov-17	7-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1509	1575	-66
Akola	Rs./Qtl	1498	1508	-10

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

Index	RMB/Ton	Change
CCIndex(328)	16009	-6
CCIndex(527)	14927	Unch

CCIndex(229)	16510	-5
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 07-November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	79.70	0.20

USDA Cotton Spot Rates: As on 07-November-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	68.82	70.07	64.00
North Delta	67.32	68.82	NIL
South Delta	67.32	68.82	NIL
East TX-OK	67.50	69.00	1253.00
West Texas	67.75	69.25	18567.00
Desert SW	62.82	66.82	NIL
SJ Valley	64.07	72.97	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 07-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	68.85	68.89	68.01	68.07	-0.78
Mar-18	69.05	69.14	68.42	68.46	-0.64
May-18	70.08	70.12	69.47	69.51	-0.64
Jul-18	70.65	70.74	70.19	70.25	-0.61
Oct-18	69.57	69.57	69.57	69.57	-0.52
Dec-18	69.61	69.62	69.35	69.4	-0.56

Pakistan Cotton Spot rates: As on 07-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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