

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mixed tone Thursday.

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	9-Nov-17	8-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4625	4650	-25
	Gondal	Shankar-6	4550	4555	-5
	Rajkot	B.T. Cotton	4625	4675	-50
	Patan	B.T. Cotton	4640	4690	-50
	Kadi	B.T. Cotton	4700	4800	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4575	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4775	4800	-25
	Bhiwani	Desi	4775	4800	-25
	Adampur	B.T. Cotton	4700	4700	Unch
	Fatehabad	B.T. Cotton	4680	4700	-20
	Jind	B.T. Cotton	4900	4800	100
	Uchana	B.T. Cotton	4800	4893	-93
	Dabwali	B.T. Cotton	4525	4540	-15
Rajasthan	Hanumangarh	B.T. Cotton	4700	4750	-50
	Rawatsar	B.T. Cotton	4650	4625	25
Madhya Pradesh	Khandwa	Mech-1	4450	4600	-150
	Khargaon	Mech-1	4530	4700	-170
Maharashtra	Amravati	Mech-1	4450	4500	-50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	6000	-200
	Hathras	Desi	4800	4800	Unch
Telangana	Adilabad	Un-Ginned	4540	3050	1490
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	4759	4738	21
	Hubli	D.C.H.	4889	4875	14
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4350	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Nov-17	8-Nov-17	
Punjab	Bhatinda	J-34	3850	3830	20
	Abohar	J-34	3850	3850	Unch
	Mansa	J-34	NR	3850	-

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3825	3840	-15
Rajasthan	Sri-Ganganagar	J-34	3572	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Nov-17	8-Nov-17	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	2905	3258	-353
	Rajkot	B.T. Cotton	4150	2950	1200
	Patan	B.T. Cotton	12574	14630	-2056
	Kadi	B.T. Cotton	30000	35000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	246	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3800	3500	300
	Bhiwani	Desi	20	15	5
	Adampur	B.T. Cotton	1700	1700	Unch
	Fatehabad	B.T. Cotton	800	800	Unch
	Jind	B.T. Cotton	680	340	340
	Uchana	B.T. Cotton	1000	2305	-1305
	Dabwali	B.T. Cotton	525	850	-325
Rajasthan	Hanumangarh	B.T. Cotton	1300	1500	-200
	Rawatsar	B.T. Cotton	700	700	Unch
Madhya Pradesh	Khandwa	Mech-1	900	1000	-100
	Khargaon	Mech-1	2683	8060	-5377
Maharashtra	Amravati	Mech-1	8000	7000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	25	25	Unch
	Hathras	Desi	12	12	Unch
Telangana	Adilabad	Un-Ginned	26853	632	26221
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	3870	4142	-272
	Hubli	D.C.H.	268	422	-154
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	2362	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-Nov-17	8-Nov-17	

Punjab	Bhatinda	J-34	1190	2550	-1360
	Abohar	J-34	1020	1360	-340
	Mansa	J-34	NR	340	-
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	500	NR	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				8-Nov-17	7-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	35500	35700	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37100	37400	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	37400	37700	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38900	39100	-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
		9-Nov-17	8-Nov-17	
Rajkot	Rs. /10 Kg.	648	645	3
New Delhi	Rs. /10 Kg.	648	645	3
Hyderabad	Rs. /10 Kg.	665	665	Unch
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
		9-Nov-17	8-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1498	1509	-11
Akola	Rs./Qtl	1500	1498	2

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 9-November-2017

Index	RMB/Ton	Change
CCIndex(328)	16002	-7
CCIndex(527)	14920	-7

CCIndex(229)	16506	-4
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 09-November-2017

Index	Cents/lb	Change
FC Index (S)	83.53	0.54
FC Index (M)	79.13	0.55
FC Index (L)	77.48	0.47

Cotlook Index: As on 08-November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	79.10	-0.60

USDA Cotton Spot Rates: As on 08-November-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.38	70.63	790
North Delta	67.88	69.63	638
South Delta	67.88	69.63	1539
East TX-OK	68.25	69.75	4040
West Texas	68.50	70.00	3121
Desert SW	63.38	67.38	NIL
SJ Valley	64.63	73.53	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 08-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	68.07	69.15	68.06	68.63	0.56
Mar-18	68.46	69.32	68.36	68.86	0.40
May-18	69.50	70.27	69.39	69.88	0.37
Jul-18	70.20	70.90	70.18	70.54	0.29
Oct-18	69.10	69.55	69.10	69.55	-0.02
Dec-18	69.35	69.95	69.35	69.69	0.29

Pakistan Cotton Spot rates: As on 08-November-2017				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6500	145	6645
Equivalent	40 Kgs	6966	155	7121

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