

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mixed tone Friday.

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	10-Nov-17	9-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4650	4625	25
	Gondal	Shankar-6	4565	4550	15
	Rajkot	B.T. Cotton	4625	4625	Unch
	Patan	B.T. Cotton	4665	4640	25
	Kadi	B.T. Cotton	4750	4700	50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4540	4575	-35
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4800	4775	25
	Bhiwani	Desi	4800	4775	25
	Adampur	B.T. Cotton	4625	4700	-75
	Fatehabad	B.T. Cotton	4710	4680	30
	Jind	B.T. Cotton	4900	4900	Unch
	Uchana	B.T. Cotton	4800	4800	Unch
	Dabwali	B.T. Cotton	4525	4525	Unch
Rajasthan	Hanumangarh	B.T. Cotton	4725	4700	25
	Rawatsar	B.T. Cotton	4650	4650	Unch
Madhya Pradesh	Khandwa	Mech-1	4400	4450	-50
	Khargaon	Mech-1	4510	4530	-20
Maharashtra	Amravati	Mech-1	4320	4450	-130
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	5800	Unch
	Hathras	Desi	4800	4800	Unch
Telangana	Adilabad	Un-Ginned	4510	4540	-30
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	4759	-
	Hubli	D.C.H.	4879	4889	-10
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4300	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Nov-17	9-Nov-17	
Punjab	Bhatinda	J-34	3840	3850	-10
	Abohar	J-34	3840	3850	-10
	Mansa	J-34	3825	NR	-

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3820	3825	-5
Rajasthan	Sri-Ganganagar	J-34	3582	3572	9

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Nov-17	9-Nov-17	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	3186	2905	281
	Rajkot	B.T. Cotton	4050	4150	-100
	Patan	B.T. Cotton	12804	12574	230
	Kadi	B.T. Cotton	35000	30000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	380	246	134
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4000	3800	200
	Bhiwani	Desi	10	20	-10
	Adampur	B.T. Cotton	2550	1700	850
	Fatehabad	B.T. Cotton	800	800	Unch
	Jind	B.T. Cotton	697	680	17
	Uchana	B.T. Cotton	1300	1000	300
	Dabwali	B.T. Cotton	525	525	Unch
Rajasthan	Hanumangarh	B.T. Cotton	1500	1300	200
	Rawatsar	B.T. Cotton	1000	700	300
Madhya Pradesh	Khandwa	Mech-1	900	900	Unch
	Khargaon	Mech-1	2374	2683	-309
Maharashtra	Amravati	Mech-1	9000	8000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	25	25	Unch
	Hathras	Desi	12	12	Unch
Telangana	Adilabad	Un-Ginned	23735	26853	-3118
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	3870	-
	Hubli	D.C.H.	322	268	54
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	2362	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Nov-17	9-Nov-17	

Punjab	Bhatinda	J-34	5950	1190	4760
	Abohar	J-34	850	1020	-170
	Mansa	J-34	425	NR	-
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	700	500	200

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				9-Nov-17	8-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	35500	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36600	37100	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	37200	37400	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38600	38900	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41600	41600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	50000	49500	500

Cotton Seed Oil Prices
Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		10-Nov-17	9-Nov-17	
Rajkot	Rs. /10 Kg.	660	648	12
New Delhi	Rs. /10 Kg.	645	648	-3
Hyderabad	Rs. /10 Kg.	655	665	-10
Mumbai	Rs. /10 Kg.	660	665	-5

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

Centre	Unit	Price		Change
		10-Nov-17	9-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1539	1498	41
Akola	Rs./Qtl	1513	1500	13

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 10-November-2017

Index	RMB/Ton	Change
CCIndex(328)	16001	-1
CCIndex(527)	14920	-3

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

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

Index	Cents/lb	Change
FC Index (S)	83.23	-0.30
FC Index (M)	78.82	-0.31
FC Index (L)	77.25	-0.23

Cotlook Index: As on 09-November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	79.60	0.50

USDA Cotton Spot Rates: As on 09-November-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.04	70.29	527.00
North Delta	67.54	69.29	NIL
South Delta	67.54	69.29	NIL
East TX-OK	67.75	69.50	4262.00
West Texas	68.00	69.75	7146.00
Desert SW	63.29	67.29	175.00
SJ Valley	64.29	73.19	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 09-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	68.78	69.48	68.18	68.29	-0.34
Mar-18	68.86	69.67	68.34	68.54	-0.32
May-18	69.72	70.62	69.35	69.54	-0.34
Jul-18	70.49	71.17	69.97	70.15	-0.39
Oct-18	69.18	69.18	69.18	69.18	-0.37
Dec-18	69.68	70.00	69.10	69.28	-0.41

Pakistan Cotton Spot rates: As on 09-November-2017				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6600	145	6745
Equivalent	40 Kgs	7073	155	7228

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