

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mixed tone Saturday.

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	11-Nov-17	10-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4700	4650	50
	Gondal	Shankar-6	4625	4565	60
	Rajkot	B.T. Cotton	4655	4625	30
	Patan	B.T. Cotton	4600	4665	-65
	Kadi	B.T. Cotton	4750	4750	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	4540	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4650	4800	-150
	Bhiwani	Desi	5000	4800	200
	Adampur	B.T. Cotton	4660	4625	35
	Fatehabad	B.T. Cotton	4725	4710	15
	Jind	B.T. Cotton	4800	4900	-100
	Uchana	B.T. Cotton	NR	4800	-
	Dabwali	B.T. Cotton	4575	4525	50
Rajasthan	Hanumangarh	B.T. Cotton	4700	4725	-25
	Rawatsar	B.T. Cotton	4585	4650	-65
Madhya Pradesh	Khandwa	Mech-1	Closed	4400	-
	Khargaon	Mech-1	4500	4510	-10
Maharashtra	Amravati	Mech-1	4320	4320	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6000	5800	200
	Hathras	Desi	4700	4800	-100
Telangana	Adilabad	Un-Ginned	4500	4510	-10
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.	4885	4879	6
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	4330	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	11-Nov-17	10-Nov-17	
Punjab	Bhatinda	J-34	3855	3840	15
	Abohar	J-34	3855	3840	15
	Mansa	J-34	3830	3825	5

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3840	3820	20
Rajasthan	Sri-Ganganagar	J-34	3582	3582	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-Nov-17	10-Nov-17	
Gujarat	Ahmedabad	Shankar-6	47600	42500	5100
	Gondal	Shankar-6	3006	3186	-180
	Rajkot	B.T. Cotton	3350	4050	-700
	Patan	B.T. Cotton	13785	12804	981
	Kadi	B.T. Cotton	35000	35000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	380	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4000	4000	Unch
	Bhiwani	Desi	15	10	5
	Adampur	B.T. Cotton	850	2550	-1700
	Fatehabad	B.T. Cotton	600	800	-200
	Jind	B.T. Cotton	1360	697	663
	Uchana	B.T. Cotton	NR	1300	-
	Dabwali	B.T. Cotton	450	525	-75
Rajasthan	Hanumangarh	B.T. Cotton	1800	1500	300
	Rawatsar	B.T. Cotton	700	1000	-300
Madhya Pradesh	Khandwa	Mech-1	Closed	900	-
	Khargaon	Mech-1	2473	2374	99
Maharashtra	Amravati	Mech-1	4000	9000	-5000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	85	25	60
	Hathras	Desi	12	12	Unch
Telangana	Adilabad	Un-Ginned	24736	23735	1001
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	3751	-
	Hubli	D.C.H.	72	322	-250
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1905	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	11-Nov-17	10-Nov-17	

Punjab	Bhatinda	J-34	5100	5950	-850
	Abohar	J-34	1020	850	170
	Mansa	J-34	425	425	Unch
Haryana	Sirsa	J-34	510	850	-340
Rajasthan	Sri-Ganganagar	J-34	700	700	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				10-Nov-17	9-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40900	40000	900
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41900	41000	900
J-34(202)	26mm	3.5 - 4.9	23	35600	35500	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36500	36600	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	37300	37200	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38600	38600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41600	41600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	50500	50000	500

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

Centre	Unit	Price		Change
		11-Nov-17	10-Nov-17	
Rajkot	Rs. /10 Kg.	665	660	5
New Delhi	Rs. /10 Kg.	645	645	Unch
Hyderabad	Rs. /10 Kg.	655	655	Unch
Mumbai	Rs. /10 Kg.	675	660	15

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

Centre	Unit	Price		Change
		11-Nov-17	10-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1536	1539	-3
Akola	Rs./Qtl	1513	1513	Unch

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 10th -November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	79.35	-0.25

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 10-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	68.39	69.18	68.35	69.05	0.76
Mar-18	68.65	69.25	68.64	69.14	0.60
May-18	69.67	70.21	69.67	70.08	0.54
Jul-18	70.38	70.72	70.36	70.57	0.42
Oct-18	69.60	69.60	69.60	69.60	0.42
Dec-18	69.50	69.75	69.45	69.62	0.34

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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