

Domestic Fundamentals:

Market Outlook: Cotton spot market noticed mixed tone Monday.

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)	3.5	909	918.50	906.00	911	3,904	2,740	6994	259
Spread	Cont (C1)								
Spot	20.00				-		-		
	-				-		-		

Updated at 05:00 pm as on 13–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	0	135	0
Nov-17	80.00	18270.00	18380.00	18220.00	18230.00	670	367	2958	-649
Spread	Oct-17	Nov-17	-		-	-	--	--	
Spot			810			-	-	-	
Oct-17						-	-	-	

(NB: Spread Basis = Spot- Near Month Future)

* Updated at 05:00 pm as on 13–Nov 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	13-Nov-17	11-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4700	4700	Unch
	Gondal	Shankar-6	4575	4625	-50
	Rajkot	B.T. Cotton	4655	4655	Unch
	Patan	B.T. Cotton	4600	4600	Unch
	Kadi	B.T. Cotton	4750	4750	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4700	4650	50
	Bhiwani	Desi	5000	5000	Unch
	Adampur	B.T. Cotton	4650	4660	-10
	Fatehabad	B.T. Cotton	4730	4725	5
	Jind	B.T. Cotton	4820	4800	20
	Uchana	B.T. Cotton	4800	NR	-
	Dabwali	B.T. Cotton	4570	4575	-5
Rajasthan	Hanumangarh	B.T. Cotton	4750	4700	50
	Rawatsar	B.T. Cotton	4670	4585	85
Madhya Pradesh	Khandwa	Mech-1	4400	Closed	-
	Khargaon	Mech-1	4700	4500	200
Maharashtra	Amravati	Mech-1	4350	4320	30
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6000	6000	Unch
	Hathras	Desi	4700	4700	Unch
Telangana	Adilabad	Un-Ginned	4480	4500	-20
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4333	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	4730	NA	-
	Hubli	D.C.H.	4891	4885	6
	Hubli	B.T. Cotton	6001	5789	212
	Raichur	H-44 Cotton	NA	4350	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	13-Nov-17	11-Nov-17	
Punjab	Bhatinda	J-34	3865	3855	10
	Abohar	J-34	3870	3855	15

	Mansa	J-34	3840	3830	10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3860	3840	20
Rajasthan	Sri-Ganganagar	J-34	3582	3582	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	13-Nov-17	11-Nov-17	
Gujarat	Ahmedabad	Shankar-6	47600	47600	Unch
	Gondal	Shankar-6	3865	3006	859
	Rajkot	B.T. Cotton	6200	3350	2850
	Patan	B.T. Cotton	15511	13785	1726
	Kadi	B.T. Cotton	35000	35000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1000	4000	-3000
	Bhiwani	Desi	NA	15	-
	Adampur	B.T. Cotton	1700	850	850
	Fatehabad	B.T. Cotton	600	600	Unch
	Jind	B.T. Cotton	1020	1360	-340
	Uchana	B.T. Cotton	2500	NR	-
	Dabwali	B.T. Cotton	825	450	375
Rajasthan	Hanumangarh	B.T. Cotton	1650	1800	-150
	Rawatsar	B.T. Cotton	600	700	-100
Madhya Pradesh	Khandwa	Mech-1	800	Closed	-
	Khargaon	Mech-1	5620	2473	3147
Maharashtra	Amravati	Mech-1	6000	4000	2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	85	85	Unch
	Hathras	Desi	12	12	Unch
Telangana	Adilabad	Un-Ginned	NA	24736	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	211	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5614	NA	-
	Hubli	D.C.H.	188	72	116
	Hubli	B.T. Cotton	38	4	34
	Raichur	H-44 Cotton	NA	2115	-
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	13-Nov-17	11-Nov-17	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	1190	1020	170
	Mansa	J-34	680	425	255
Haryana	Sirsa	J-34	680	510	170
Rajasthan	Sri-Ganganagar	J-34	1000	700	300

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				11-Nov-17	10-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40900	40900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41900	41900	Unch
J-34(202)	26mm	3.5 - 4.9	23	35700	35600	100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	36500	36500	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	37300	37300	Unch
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	50500	Unch

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

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

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

Centre	Unit	Price		Change
		13-Nov-17	11-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1488	1536	-48
Akola	Rs./Qtl	1508	1513	-5

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 13-November-2017

Index	RMB/Ton	Change
CCIndex(328)	16001	Unch
CCIndex(527)	14920	Unch

CCIndex(229)	16512	6
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 13-November-2017

Index	Cents/lb	Change
FC Index (S)	83.72	0.49
FC Index (M)	79.21	0.39
FC Index (L)	77.72	0.47

Cotlook Index: As on 10th -November-2017

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

USDA Cotton Spot Rates: As on 10-November-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.80	71.05	NIL
North Delta	68.30	70.05	NIL
South Delta	68.30	70.05	155
East TX-OK	68.25	70.00	6087
West Texas	68.75	70.50	6223
Desert SW	64.05	68.05	56
SJ Valley	65.05	73.95	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.): As on 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 11-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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