

Domestic Fundamentals:

Market Outlook: Cotton spot market witnessed mixed tone on Thursday.

In The News: According to the Cotton Association of India (CAI), in its first estimate for the cotton crop season 2017-18 beginning October 1, 2017, cotton crop has been estimated at 375 lakh bales of 170 kg each which is higher by 37.75 lakh bales compared to the previous year's crop of 337.25 lakh bales.

Cotton crop in Vidarbha and Marathwada region of Maharashtra are reported to get affected by the widespread boll worm attack and could destroy approximately 50 per cent of the standing crop.

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.

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.

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	913	917	910.5	914.5	2293	-26	6701	-610
Spread	Cont (C1)								
Spot	10.50				-		-		
	-				-		-		

Updated at 05:00 pm as on 15–Nov 2017

MCX Cotton Futures*: (Prices in Rs/170 kgs)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-17	+20	18990	19090	18860	19060	202	-418	135	-2569
Dec-17	+60	18340	18420	18310	18360	632	261	2898	921
Spread	Nov-17	Dec-17	-		-		--		--
Spot					-		-		-
Dec-17	700					-		-	

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

* Updated at 06:33 pm as on 16–Nov 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	16-Nov-17	15-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4700	4700	Unch
	Gondal	Shankar-6	4625	4655	-30
	Rajkot	B.T. Cotton	4625	4640	-15
	Patan	B.T. Cotton	4675	4675	Unch
	Kadi	B.T. Cotton	4800	4800	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4570	4590	-20
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4800	4800	Unch
	Bhiwani	Desi	5500	5300	200
	Adampur	B.T. Cotton	4650	4650	Unch
	Fatehabad	B.T. Cotton	4770	4770	Unch
	Jind	B.T. Cotton	4775	4775	Unch
	Uchana	B.T. Cotton	4773	4782	-9
	Dabwali	B.T. Cotton	4580	4565	15
Rajasthan	Hanumangarh	B.T. Cotton	4800	4750	50
	Rawatsar	B.T. Cotton	4625	4670	-45
Madhya Pradesh	Khandwa	Mech-1	4650	4600	50
	Khargaon	Mech-1	4710	4655	55
Maharashtra	Amravati	Mech-1	4350	4480	-130
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6250	6200	50
	Hathras	Desi	4890	4900	-10
Telangana	Adilabad	Un-Ginned	4450	4470	-20
Andhra Pradesh	Guntur	Un-Ginned	NA	3750	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	4859	4829	30
	Hubli	D.C.H.	4945	4891	54
	Hubli	B.T. Cotton	5961	5791	170
	Raichur	H-44 Cotton	NA	4400	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	16-Nov-17	15-Nov-17	
Punjab	Bhatinda	J-34	3885	3875	10
	Abohar	J-34	3895	3890	5
	Mansa	J-34	3860	3850	10

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3870	3865	5
Rajasthan	Sri-Ganganagar	J-34	NA	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Nov-17	15-Nov-17	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	2719	3013	-294
	Rajkot	B.T. Cotton	4250	4150	100
	Patan	B.T. Cotton	14575	14258	317
	Kadi	B.T. Cotton	40000	40000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	356	337	19
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5000	3500	1500
	Bhiwani	Desi	10	20	-10
	Adampur	B.T. Cotton	2550	1700	850
	Fatehabad	B.T. Cotton	600	400	200
	Jind	B.T. Cotton	NA	850	-
	Uchana	B.T. Cotton	2435	2975	-540
	Dabwali	B.T. Cotton	900	200	700
Rajasthan	Hanumangarh	B.T. Cotton	2000	1000	1000
	Rawatsar	B.T. Cotton	600	500	100
Madhya Pradesh	Khandwa	Mech-1	400	600	-200
	Khargaon	Mech-1	6220	6660	-440
Maharashtra	Amravati	Mech-1	6000	9000	-3000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	30	30	Unch
	Hathras	Desi	12	10	2
Telangana	Adilabad	Un-Ginned	19759	22477	-2718
Andhra Pradesh	Guntur	Un-Ginned	NA	770	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	3916	4342	-426
	Hubli	D.C.H.	178	334	-156
	Hubli	B.T. Cotton	30	4	26
	Raichur	H-44 Cotton	NA	1867	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	16-Nov-17	15-Nov-17	

Punjab	Bhatinda	J-34	4250	3400	850
	Abohar	J-34	1190	340	850
	Mansa	J-34	85	170	-85
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NR	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				15-Nov-17	14-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41000	41000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42000	42000	Unch
J-34(202)	26mm	3.5 - 4.9	23	36200	36000	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36600	36600	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	37400	37400	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38700	38700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	4	41700	41700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	50600	50600	Unch

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

Centre	Unit	Price		Change
		16-Nov-17	15-Nov-17	
Rajkot	Rs. /10 Kg.	635	635	Unch
New Delhi	Rs. /10 Kg.	648	648	Unch
Hyderabad	Rs. /10 Kg.	655	655	Unch
Mumbai	Rs. /10 Kg.	670	660	10

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

Centre	Unit	Price		Change
		16-Nov-17	15-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1533	1531	2
Akola	Rs./Qtl	1541	1518	23

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 16-November-2017

Index	RMB/Ton	Change
CCIndex(328)	15983	-8
CCIndex(527)	14916	-4

CCIndex(229)	16495	-5
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 16-November-2017

Index	Cents/lb	Change
FC Index (S)	83.57	0.20
FC Index (M)	79.31	0.35
FC Index (L)	77.88	0.24

Cotlook Index: As on 15th-November-2017

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

USDA Cotton Spot Rates: As on 15-November-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	69.56	70.81	NIL
North Delta	68.06	69.81	70
South Delta	68.06	69.81	NIL
East TX-OK	68.25	70.00	4170
West Texas	68.75	70.50	6808
Desert SW	63.81	67.81	NIL
SJ Valley	64.81	73.71	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 15-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	68.63	68.91	68.59	68.81	0.21
Mar-18	68.65	68.90	68.62	68.84	0.19
May-18	69.60	69.85	69.55	69.77	0.16
Jul-18	70.15	70.34	70.13	70.27	0.11
Oct-18	69.32	69.32	69.32	69.32	0.10
Dec-18	69.25	69.42	69.22	69.36	0.10

Pakistan Cotton Spot rates: As on 15-November-2017				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6400	145	6545
Equivalent	40 Kgs	6859	155	7014

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