

Domestic Fundamentals:

Market Outlook: Cotton spot markets noticed mixed tone on Monday.

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. Piece

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)	0.5	922	925.50	919.00	919.50	1,954	-277	6651	25
Spread	Cont (C1)								
Spot	8.50				-		-		
	-				-		-		

Updated at 05:00 pm as on 20–Nov 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-17	-60	18430.0 0	18470. 00	18350.0 0	18430.00	582	383	2595	-325
Dec-17	-90.00	18480.0 0	18500. 00	18370.0 0	18470.00	662	445	4579	350
Spread	Nov-17	Dec-17	-		-	-	--	--	
Spot					-	-	-	-	
Dec-17	-40				-	-	-	-	

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

* Updated at 05:00 pm as on 20–Nov 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	20-Nov-17	18-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4600	4750	-150
	Gondal	Shankar-6	4500	4655	-155
	Rajkot	B.T. Cotton	4675	4660	15
	Patan	B.T. Cotton	4700	4690	10
	Kadi	B.T. Cotton	4800	4800	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	4600	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4825	4825	Unch
	Bhiwani	Desi	5450	5400	50
	Adampur	B.T. Cotton	4680	4700	-20
	Fatehabad	B.T. Cotton	4815	4810	5
	Jind	B.T. Cotton	4650	4650	Unch
	Uchana	B.T. Cotton	4826	4784	42
	Dabwali	B.T. Cotton	4630	4600	30
Rajasthan	Hanumangarh	B.T. Cotton	4800	4840	-40
	Rawatsar	B.T. Cotton	4630	4625	5
Madhya Pradesh	Khandwa	Mech-1	4800	Closed	-
	Khargaon	Mech-1	4811	4700	111
Maharashtra	Amravati	Mech-1	4600	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6250	6250	Unch
	Hathras	Desi	4890	4890	Unch
Telangana	Adilabad	Un-Ginned	4535	4500	35
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4809	NA	-
	Krishna	Un-Ginned	NA	4320	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	4879	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	20-Nov-17	18-Nov-17	
Punjab	Bhatinda	J-34	3890	3910	-20
	Abohar	J-34	3890	3890	Unch
	Mansa	J-34	3875	3885	-10
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3870	3885	-15
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Nov-17	18-Nov-17	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	2948	2397	551
	Rajkot	B.T. Cotton	6100	2350	3750
	Patan	B.T. Cotton	17350	16050	1300
	Kadi	B.T. Cotton	35000	40000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	229	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1500	2000	-500
	Bhiwani	Desi	15	10	5
	Adampur	B.T. Cotton	2040	2550	-510
	Fatehabad	B.T. Cotton	1100	1100	Unch
	Jind	B.T. Cotton	1190	1700	-510
	Uchana	B.T. Cotton	2665	870	1795
	Dabwali	B.T. Cotton	1405	1000	405
Rajasthan	Hanumangarh	B.T. Cotton	3600	2000	1600
	Rawatsar	B.T. Cotton	1500	2000	-500
Madhya Pradesh	Khandwa	Mech-1	700	Closed	-
	Khargaon	Mech-1	7050	6820	230
Maharashtra	Amravati	Mech-1	8000	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	30	30	Unch
	Hathras	Desi	10	12	-2
Telangana	Adilabad	Un-Ginned	NA	27236	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	128	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	2390	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Nov-17	18-Nov-17	
Punjab	Bhatinda	J-34	6800	5100	1700

	Abohar	J-34	850	1190	-340
	Mansa	J-34	680	680	Unch
Haryana	Sirsa	J-34	1700	680	1020
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				18-Nov-17	17-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	36200	Unch
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	38800	38800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	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
		20-Nov-17	18-Nov-17	
Rajkot	Rs. /10 Kg.	665	NA	-
New Delhi	Rs. /10 Kg.	675	NA	-
Hyderabad	Rs. /10 Kg.	690	NA	-
Mumbai	Rs. /10 Kg.	705	NA	-

Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		20-Nov-17	18-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1583	1539	44
Akola	Rs./Qtl	1585	1546	39

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 20-November-2017

Index	RMB/Ton	Change
CCIndex(328)	15949	-9
CCIndex(527)	14905	-6
CCIndex(229)	16468	-12

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index : As on 20-November-2017

Index	Cents/lb	Change
FC Index (S)	84.31	0.28
FC Index (M)	80.07	0.32
FC Index (L)	78.59	0.23

Cotlook Index: As on 17th-November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	79.80	0.40

USDA Cotton Spot Rates: As on 17-November-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	70.10	71.35	NIL
North Delta	68.60	70.35	NIL
South Delta	68.60	70.35	NIL
East TX-OK	67.75	69.50	12486
West Texas	68.25	70.00	14083
Desert SW	64.35	68.35	NIL
SJ Valley	65.35	74.25	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 17-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	69.21	70.08	69.21	69.78	0.57
Mar-18	69.18	69.75	69.06	69.35	0.17
May-18	70.08	70.68	69.98	70.29	0.18
Jul-18	70.59	71.13	70.52	70.82	0.25
Oct-18	69.74	69.74	69.74	69.74	0.17
Dec-18	69.60	69.85	69.48	69.71	0.21

Pakistan Cotton Spot rates: As on 18-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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