

Domestic Fundamentals:

Market Outlook: Cotton spot markets witnessed mixed tone on Tuesday.

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) | -6.5 | 921 | 924 | 913 | 914.50 | 1986 | -307 | 6509 | -192 |
| Spread | Cont (C1) | | | | | | | | |
| Spot | 21.50 | | | | - | | - | | |
| | - | | | | - | | - | | |

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 | +90 | 18390 | 18460 | 18390 | 18430 | 665 | 463 | 2348 | 2213 |
| Dec-17 | +60 | 18400 | 18480 | 18390 | 18430 | 550 | -82 | 4630 | 1732 |
| Spread | Nov-17 | Dec-17 | - | | - | | -- | | -- |
| Spot | | | | | - | | - | | - |
| Dec-17 | 0.00 | | | | | - | | - | |

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

* Updated at 05:00 pm as on 21–Nov 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

| Commodity | Kapas | | Prices (Rs./Quintal) | | Change |
|----------------|---------------|------------------------|----------------------|-----------|--------|
| State | Centre | Variety | 21-Nov-17 | 20-Nov-17 | |
| Gujarat | Ahmedabad | Shankar-6 | 4750 | 4600 | 150 |
| | Gondal | Shankar-6 | 4665 | 4500 | 165 |
| | Rajkot | B.T. Cotton | 4680 | 4675 | 5 |
| | Patan | B.T. Cotton | 4690 | 4700 | -10 |
| | Kadi | B.T. Cotton | 4800 | 4800 | Unch |
| | Deesa | B.T. Cotton | NA | NA | - |
| | Dhrol | B.T. Cotton | NR | NR | - |
| Punjab | Fazilika | B.T. Cotton | NR | NR | - |
| | Muktsar | B.T. Cotton | NR | NR | - |
| Haryana | Bhiwani | B.T. Cotton (New Crop) | 4800 | 4825 | -25 |
| | Bhiwani | Desi | 5400 | 5450 | -50 |
| | Adampur | B.T. Cotton | 4680 | 4680 | Unch |
| | Fatehabad | B.T. Cotton | 4760 | 4815 | -55 |
| | Jind | B.T. Cotton | 4850 | 4650 | 200 |
| | Uchana | B.T. Cotton | 4770 | 4826 | -56 |
| | Dabwali | B.T. Cotton | 4605 | 4630 | -25 |
| Rajasthan | Hanumangarh | B.T. Cotton | 4825 | 4800 | 25 |
| | Rawatsar | B.T. Cotton | 4650 | 4630 | 20 |
| Madhya Pradesh | Khandwa | Mech-1 | 4750 | 4800 | -50 |
| | Khargaon | Mech-1 | 4830 | 4811 | 19 |
| Maharashtra | Amravati | Mech-1 | 4650 | 4600 | 50 |
| | Jamner | Medium Staple | NA | NA | - |
| Uttar Pradesh | Hathras | B.T. Cotton | NR | 6250 | - |
| | Hathras | Desi | NR | 4890 | - |
| Telangana | Adilabad | Un-Ginned | 4520 | 4535 | -15 |
| Andhra Pradesh | Guntur | Un-Ginned | NA | NA | - |
| | Kurnool | Un-Ginned | NA | 4809 | - |
| | Krishna | Un-Ginned | NA | NA | - |
| | East Godavari | Un-Ginned | NA | 4320 | - |
| Karnataka | Bijapur | Bunny | NA | 4909 | - |
| | Hubli | D.C.H. | 5009 | 5055 | -46 |
| | Hubli | B.T. Cotton | NA | 6300 | - |
| | Raichur | H-44 Cotton | 4700 | 4700 | Unch |
| Commodity | Lint | | Prices (Rs./Maund) | | Change |
| State | Centre | Variety | 21-Nov-17 | 20-Nov-17 | |
| Punjab | Bhatinda | J-34 | 3890 | 3890 | Unch |
| | Abohar | J-34 | 3890 | 3890 | Unch |
| | Mansa | J-34 | 3880 | 3875 | 5 |
| | Muktsar | J-34 | NR | NR | - |

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

Cotton Arrivals in Key Centers:

| Commodity | Kapas | | Arrivals (Quintal) | | Change |
|-----------------------|---------------|---------------|--------------------|-----------|--------------|
| State | Centre | Variety | 21-Nov-17 | 20-Nov-17 | |
| Gujarat | Ahmedabad | Shankar-6 | 59500 | 51000 | 8500 |
| | Gondal | Shankar-6 | 2781 | 2948 | -167 |
| | Rajkot | B.T. Cotton | 4350 | 6100 | -1750 |
| | Patan | B.T. Cotton | 15573 | 17350 | -1777 |
| | Kadi | B.T. Cotton | 55000 | 35000 | 20000 |
| | Deesa | B.T. Cotton | NA | NA | - |
| | Dhrol | B.T. Cotton | NR | NR | - |
| Punjab | Fazilika | B.T. Cotton | NR | NR | - |
| | Muktsar | B.T. Cotton | NR | NR | - |
| Haryana | Bhiwani | B.T. Cotton | 4000 | 1500 | 2500 |
| | Bhiwani | Desi | 20 | 15 | 5 |
| | Adampur | B.T. Cotton | 1700 | 2040 | -340 |
| | Fatehabad | B.T. Cotton | 1300 | 1100 | 200 |
| | Jind | B.T. Cotton | 595 | 1190 | -595 |
| | Uchana | B.T. Cotton | 4320 | 2665 | 1655 |
| | Dabwali | B.T. Cotton | 850 | 1405 | -555 |
| Rajasthan | Hanumangarh | B.T. Cotton | 3000 | 3600 | -600 |
| | Rawatsar | B.T. Cotton | 2500 | 1500 | 1000 |
| Madhya Pradesh | Khandwa | Mech-1 | 600 | 700 | -100 |
| | Khargaon | Mech-1 | 7220 | 7050 | 170 |
| Maharashtra | Amravati | Mech-1 | 7000 | 8000 | -1000 |
| | Jamner | Medium Staple | NA | NA | - |
| Uttar Pradesh | Hathras | B.T. Cotton | NR | 30 | - |
| | Hathras | Desi | NR | 10 | - |
| Telangana | Adilabad | Un-Ginned | 24599 | NA | - |
| Andhra Pradesh | Guntur | Un-Ginned | NA | NA | - |
| | Kurnool | Un-Ginned | NA | 128 | - |
| | Krishna | Un-Ginned | NA | NA | - |
| | East Godavari | Un-Ginned | NA | NA | - |
| Karnataka | Bijapur | Bunny | NA | 4980 | - |
| | Hubli | D.C.H. | 12 | 572 | -560 |
| | Hubli | B.T. Cotton | NA | 86 | - |
| | Raichur | H-44 Cotton | 1455 | 2120 | -665 |
| Commodity | Lint | | Arrivals (Quintal) | | Change |
| State | Centre | Variety | 21-Nov-17 | 20-Nov-17 | |
| Punjab | Bhatinda | J-34 | 5100 | 6800 | -1700 |

| | | | | | |
|------------------|----------------|------|------|------|------|
| | Abohar | J-34 | 1190 | 850 | 340 |
| | Mansa | J-34 | 680 | 680 | Unch |
| Haryana | Sirsa | J-34 | 1360 | 1700 | -340 |
| Rajasthan | Sri-Ganganagar | J-34 | NA | NA | - |

Cotton Association of India Spot Rates:

| Trade Name | Staple | Micronaire | Strength/ GPT | Rs. Per Candy | Rs. Per Candy | Change |
|---------------------------------------|------------|------------|------------------|---------------|---------------|--------|
| | | | | 20-Nov-17 | 18-Nov-17 | |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0 | 15 | 40700 | 41000 | -300 |
| Bengal Deshi (SG)(201) | Below 22mm | 5.0 - 7.0 | 15 | 41700 | 42000 | -300 |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 36100 | 36200 | -100 |
| H-4/ MECH-1(105) | 28mm | 3.5 - 4.9 | 27 | 36600 | 36600 | Unch |
| Shankar-6(105) | 29mm | 3.5 - 4.9 | 28 | 37300 | 37400 | -100 |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 38800 | 38800 | Unch |
| MCU-5/ Surabhi(106) | 32mm | 3.3 - 4.9 | 31 | 41000 | 41700 | -700 |
| 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 |
|-----------|-------------|-----------|-----------|--------|
| | | 21-Nov-17 | 20-Nov-17 | |
| Rajkot | Rs. /10 Kg. | 670 | 665 | 5 |
| New Delhi | Rs. /10 Kg. | 678 | 675 | 3 |
| Hyderabad | Rs. /10 Kg. | 695 | 690 | 5 |
| Mumbai | Rs. /10 Kg. | 695 | 705 | -10 |

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

| Centre | Unit | Price | | Change |
|-----------------|---------|-----------|-----------|--------|
| | | 21-Nov-17 | 20-Nov-17 | |
| Mahesana (Kadi) | Rs./Qtl | 1578 | 1583 | -5 |
| Akola | Rs./Qtl | 1596 | 1585 | 11 |

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 21-November-2017

| Index | RMB/Ton | Change |
|--------------|---------|--------|
| CCIndex(328) | 15931 | -18 |
| CCIndex(527) | 14879 | -26 |
| CCIndex(229) | 16457 | -11 |

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

China Foreign Cotton (FCE) Index : As on 21-November-2017

| Index | Cents/lb | Change |
|--------------|----------|--------|
| FC Index (S) | 85.58 | 1.27 |
| FC Index (M) | 81.25 | 1.18 |
| FC Index (L) | 80.02 | 1.43 |

Cotlook Index: As on 20th-November-2017

| Cotlook Indices | Cents/Pound | Change |
|-----------------|-------------|--------|
| A-Index | 80.05 | 0.25 |

USDA Cotton Spot Rates: As on 20-November-2017

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|---------------------|---------------------|----------|
| | cents/lb. | | Bales |
| Southeast | 71.60 | 72.85 | 416 |
| North Delta | 70.10 | 71.85 | NIL |
| South Delta | 70.10 | 71.85 | NIL |
| East TX-OK | 68.50 | 70.25 | 11611 |
| West Texas | 68.50 | 70.25 | 11749 |
| Desert SW | 65.85 | 69.85 | NIL |
| SJ Valley | 66.85 | 75.75 | 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 20-November-2017

| Contract | Open | High | Low | Close | Change |
|----------|-------|-------|-------|-------|--------|
| Dec-17 | 69.80 | 71.50 | 69.79 | 71.37 | 1.59 |
| Mar-18 | 69.42 | 70.92 | 69.41 | 70.85 | 1.50 |
| May-18 | 70.39 | 71.66 | 70.33 | 71.61 | 1.32 |
| Jul-18 | 70.97 | 72.01 | 70.87 | 71.97 | 1.15 |
| Oct-18 | 70.77 | 70.77 | 70.77 | 70.77 | 1.03 |
| Dec-18 | 69.74 | 70.50 | 69.69 | 70.50 | 0.79 |

| Pakistan Cotton Spot rates: As on 20-November-2017 | | | | (in Pakistan Rupees) |
|---|------------------|---------------------|-------------------------|-----------------------------|
| Product | Rate for | Ex-Gin Price | Up Country Sales | Spot Rate Karachi |
| Cotton | 37.32 Kgs | 6500 | 145 | 6645 |
| Equivalent | 40 Kgs | 6966 | 155 | 7121 |

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