

Domestic Fundamentals:

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

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)	5.5	919	930.00	916.00	921.5	3,302	1,348	6510	-141
Spread	Cont (C1)								
Spot	20.50				-		-		
	-				-		-		

Updated at 05:00 pm as on 22–Nov 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-17	-40	18540.00	18570.00	18460.00	18580.00	537	-45	2189	-406
Dec-17	-70.00	18540.00	18560.00	18420.00	18590.00	1,139	477	4790	211
Spread	Nov-17	Dec-17	-		-	-	--	--	
Spot					-	-	-	-	
Dec-17	-10					-	-	-	

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

* Updated at 05:00 pm as on 22–Nov 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	22-Nov-17	21-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4700	4750	-50
	Gondal	Shankar-6	4695	4665	30
	Rajkot	B.T. Cotton	4710	4680	30
	Patan	B.T. Cotton	4700	4690	10
	Kadi	B.T. Cotton	4850	4800	50
	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	4800	Unch
	Bhiwani	Desi	5400	5400	Unch
	Adampur	B.T. Cotton	4650	4680	-30
	Fatehabad	B.T. Cotton	4740	4760	-20
	Jind	B.T. Cotton	4850	4850	Unch
	Uchana	B.T. Cotton	4774	4770	4
	Dabwali	B.T. Cotton	4575	4605	-30
Rajasthan	Hanumangarh	B.T. Cotton	4800	4825	-25
	Rawatsar	B.T. Cotton	4625	4650	-25
Madhya Pradesh	Khandwa	Mech-1	4600	4750	-150
	Khargaon	Mech-1	4800	4830	-30
Maharashtra	Amravati	Mech-1	4650	4650	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NR	-
	Hathras	Desi	NR	NR	-
Telangana	Adilabad	Un-Ginned	4520	4520	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4320	NA	-
	East Godavari	Un-Ginned	4320	NA	-
Karnataka	Bijapur	Bunny	NA	4940	-
	Hubli	D.C.H.	5081	5009	72
	Hubli	B.T. Cotton	6109	NA	-
	Raichur	H-44 Cotton	NA	4700	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Nov-17	21-Nov-17	
Punjab	Bhatinda	J-34	3890	3890	Unch
	Abohar	J-34	3890	3890	Unch
	Mansa	J-34	3870	3880	-10
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3865	3865	Unch
Rajasthan	Sri-Ganganagar	J-34	3624	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Nov-17	21-Nov-17	
Gujarat	Ahmedabad	Shankar-6	57800	59500	-1700
	Gondal	Shankar-6	2768	2781	-13
	Rajkot	B.T. Cotton	4750	4350	400
	Patan	B.T. Cotton	14005	15573	-1568
	Kadi	B.T. Cotton	50000	55000	-5000
	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	3500	4000	-500
	Bhiwani	Desi	10	20	-10
	Adampur	B.T. Cotton	2550	1700	850
	Fatehabad	B.T. Cotton	1400	1300	100
	Jind	B.T. Cotton	550	595	-45
	Uchana	B.T. Cotton	3705	4320	-615
	Dabwali	B.T. Cotton	600	850	-250
Rajasthan	Hanumangarh	B.T. Cotton	2500	3000	-500
	Rawatsar	B.T. Cotton	3000	2500	500
Madhya Pradesh	Khandwa	Mech-1	700	600	100
	Khargaon	Mech-1	5600	7220	-1620
Maharashtra	Amravati	Mech-1	8000	7000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NR	-
	Hathras	Desi	NR	NR	-
Telangana	Adilabad	Un-Ginned	23465	24599	-1134
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	3650	-
	Hubli	D.C.H.	656	12	644
	Hubli	B.T. Cotton	4	NA	-
	Raichur	H-44 Cotton	NA	1455	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	22-Nov-17	21-Nov-17	
Punjab	Bhatinda	J-34	6800	5100	1700

	Abohar	J-34	1020	1190	-170
	Mansa	J-34	850	680	170
Haryana	Sirsa	J-34	2040	1360	680
Rajasthan	Sri-Ganganagar	J-34	5000	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				21-Nov-17	20-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40700	40700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41700	41700	Unch
J-34(202)	26mm	3.5 - 4.9	23	36100	36100	Unch
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	36400	36600	-200
Shankar-6(105)	29mm	3.5 – 4.9	28	37200	37300	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38600	38800	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	41000	41000	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
		22-Nov-17	21-Nov-17	
Rajkot	Rs. /10 Kg.	675	670	5
New Delhi	Rs. /10 Kg.	678	678	Unch
Hyderabad	Rs. /10 Kg.	695	695	Unch
Mumbai	Rs. /10 Kg.	690	695	-5

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

Centre	Unit	Price		Change
		22-Nov-17	21-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1569	1578	-9
Akola	Rs./Qtl	1592	1596	-4

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 22-November-2017

Index	RMB/Ton	Change
CCIndex(328)	15906	-25
CCIndex(527)	14879	-17
CCIndex(229)	16430	-27

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

China Foreign Cotton (FCE) Index : As on 22-November-2017

Index	Cents/lb	Change
FC Index (S)	84.82	-0.76
FC Index (M)	80.49	-0.76
FC Index (L)	79.33	-0.69

Cotlook Index: As on 21st-November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	81.05	1.45

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.): Ason 21-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	71.07	72.52	70.40	70.90	-0.47
Mar-18	70.56	71.34	69.53	70.14	-0.71
May-18	71.32	71.95	70.41	70.96	-0.65
Jul-18	71.67	72.22	70.87	71.43	-0.54
Oct-18	70.36	70.36	70.36	70.36	-0.41
Dec-18	70.25	70.55	69.75	70.13	-0.37

Pakistan Cotton Spot rates: As on 21-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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