

Domestic Fundamentals:

Market Outlook: Cotton spot markets 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. 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	23-Nov-17	22-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4750	4700	50
	Gondal	Shankar-6	4670	4695	-25
	Rajkot	B.T. Cotton	4750	4710	40
	Patan	B.T. Cotton	4720	4700	20
	Kadi	B.T. Cotton	4800	4850	-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)	4825	4800	25
	Bhiwani	Desi	5500	5400	100
	Adampur	B.T. Cotton	4645	4650	-5
	Fatehabad	B.T. Cotton	4710	4740	-30
	Jind	B.T. Cotton	4700	4850	-150
	Uchana	B.T. Cotton	4753	4774	-21
	Dabwali	B.T. Cotton	4610	4575	35
Rajasthan	Hanumangarh	B.T. Cotton	4800	4800	Unch
	Rawatsar	B.T. Cotton	4625	4625	Unch
Madhya Pradesh	Khandwa	Mech-1	4500	4600	-100
	Khargaon	Mech-1	4750	4800	-50
Maharashtra	Amravati	Mech-1	4450	4650	-200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6250	NR	-
	Hathras	Desi	4800	NR	-
Telangana	Adilabad	Un-Ginned	4525	4520	5
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4659	NA	-
	Krishna	Un-Ginned	NA	4320	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	4989	-
	Hubli	D.C.H.	5125	5081	44
	Hubli	B.T. Cotton	6302	6109	193
	Raichur	H-44 Cotton	NA	4650	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Nov-17	22-Nov-17	
Punjab	Bhatinda	J-34	3890	3890	Unch
	Abohar	J-34	3900	3890	10
	Mansa	J-34	3855	3870	-15
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-

Haryana	Sirsa	J-34	3860	3865	-5
Rajasthan	Sri-Ganganagar	J-34	3629	3624	5

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Nov-17	22-Nov-17	
Gujarat	Ahmedabad	Shankar-6	59500	57800	1700
	Gondal	Shankar-6	1769	2768	-999
	Rajkot	B.T. Cotton	4650	4750	-100
	Patan	B.T. Cotton	11486	14005	-2519
	Kadi	B.T. Cotton	45000	50000	-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	3000	3500	-500
	Bhiwani	Desi	15	10	5
	Adampur	B.T. Cotton	5015	2550	2465
	Fatehabad	B.T. Cotton	850	1400	-550
	Jind	B.T. Cotton	510	595	-85
	Uchana	B.T. Cotton	3885	3705	180
	Dabwali	B.T. Cotton	725	600	125
Rajasthan	Hanumangarh	B.T. Cotton	3000	2500	500
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	600	700	-100
	Khargaon	Mech-1	4970	5600	-630
Maharashtra	Amravati	Mech-1	9000	8000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	60	NR	-
	Hathras	Desi	15	NR	-
Telangana	Adilabad	Un-Ginned	22571	23465	-894
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	204	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	4190	-
	Hubli	D.C.H.	84	656	-572
	Hubli	B.T. Cotton	94	4	90
	Raichur	H-44 Cotton	NA	2190	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Nov-17	22-Nov-17	
Punjab	Bhatinda	J-34	7650	6800	850
	Abohar	J-34	1020	1020	Unch

	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	1700	2040	-340
Rajasthan	Sri-Ganganagar	J-34	5500	5000	500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				22-Nov-17	21-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41100	40700	400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42100	41700	400
J-34(202)	26mm	3.5 - 4.9	23	36100	36100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36300	36400	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	37200	37200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38500	38600	-100
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
		23-Nov-17	22-Nov-17	
Rajkot	Rs. /10 Kg.	685	675	10
New Delhi	Rs. /10 Kg.	680	678	2
Hyderabad	Rs. /10 Kg.	695	695	Unch
Mumbai	Rs. /10 Kg.	690	690	Unch

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

Centre	Unit	Price		Change
		23-Nov-17	22-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1577	1569	8
Akola	Rs./Qtl	1601	1592	9

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 23-November-2017

Index	RMB/Ton	Change
CCIndex(328)	15898	-8
CCIndex(527)	14850	-29
CCIndex(229)	16412	-18
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 23-November-2017

Index	Cents/lb	Change
FC Index (S)	85.61	0.79
FC Index (M)	81.19	0.70
FC Index (L)	80.27	0.94

Cotlook Index: As on 22nd-November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	80.75	-0.75

USDA Cotton Spot Rates: As on 22-November-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	71.89	73.64	1128
North Delta	70.39	72.14	2190
South Delta	70.39	72.14	941
East TX-OK	68.50	70.25	4655
West Texas	68.50	70.50	8719
Desert SW	65.89	69.89	150
SJ Valley	67.14	76.04	100

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 22-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	70.90	72.41	70.50	70.74	-0.16
Mar-18	70.14	71.76	69.88	71.14	1.00
May-18	70.96	72.52	70.73	71.98	1.02
Jul-18	71.34	72.91	71.22	72.44	1.01
Oct-18	71.37	71.37	71.03	71.03	0.67
Dec-18	70.00	71.00	70.00	70.70	0.57

<u>Pakistan Cotton Spot rates: As on 22-November-2017</u>				(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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