

Domestic Fundamentals:

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

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:

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)	-8	934	939.50	926.00	936.50	2,644	-658	6182	-328
Spread	Cont (C1)								
Spot	13.50				-		-		
	-				-		-		

Updated at 05:00 pm as on 24–Nov 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-17	-100	18560.00	18590.00	18390.00	18520.00	780	243	1693	-496
Dec-17	-40.00	18550.00	18610.00	18490.00	18550.00	764	-375	4701	-89
Spread	Nov-17	Dec-17	-		-	-	--	--	--
Spot					-	-	-	-	-
Dec-17	-30					-	-	-	-

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

* Updated at 05:00 pm as on 24–Nov 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	24-Nov-17	23-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4750	4750	Unch
	Gondal	Shankar-6	4670	4670	Unch
	Rajkot	B.T. Cotton	4750	4750	Unch
	Patan	B.T. Cotton	4700	4720	-20
	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	5500	5500	Unch
	Adampur	B.T. Cotton	4650	4645	5
	Fatehabad	B.T. Cotton	4750	4710	40
	Jind	B.T. Cotton	4700	4700	Unch
	Uchana	B.T. Cotton	4768	4753	15
	Dabwali	B.T. Cotton	4610	4610	Unch
Rajasthan	Hanumangarh	B.T. Cotton	4825	4800	25
	Rawatsar	B.T. Cotton	4600	4625	-25
Madhya Pradesh	Khandwa	Mech-1	4500	4500	Unch
	Khargaon	Mech-1	4775	4750	25
Maharashtra	Amravati	Mech-1	4450	4450	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6250	6250	Unch
	Hathras	Desi	4800	4800	Unch
Telangana	Adilabad	Un-Ginned	4520	4525	-5
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	4659	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5130	5125	5
	Hubli	D.C.H.	5081	5125	-44
	Hubli	B.T. Cotton	5500	6302	-802
	Raichur	H-44 Cotton	NA	4650	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	24-Nov-17	23-Nov-17	
Punjab	Bhatinda	J-34	3890	3890	Unch

	Abohar	J-34	3900	3900	Unch
	Mansa	J-34	3865	3855	10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3870	3860	10
Rajasthan	Sri-Ganganagar	J-34	3572	3629	-56

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Nov-17	23-Nov-17	
Gujarat	Ahmedabad	Shankar-6	51000	59500	-8500
	Gondal	Shankar-6	1770	1769	1
	Rajkot	B.T. Cotton	4650	4650	Unch
	Patan	B.T. Cotton	5452	11486	-6034
	Kadi	B.T. Cotton	40000	45000	-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	3000	Unch
	Bhiwani	Desi	10	15	-5
	Adampur	B.T. Cotton	6001	5015	986
	Fatehabad	B.T. Cotton	1000	850	150
	Jind	B.T. Cotton	340	510	-170
	Uchana	B.T. Cotton	2885	3885	-1000
	Dabwali	B.T. Cotton	700	725	-25
Rajasthan	Hanumangarh	B.T. Cotton	2500	3000	-500
	Rawatsar	B.T. Cotton	3000	3000	Unch
Madhya Pradesh	Khandwa	Mech-1	600	600	Unch
	Khargaon	Mech-1	5920	4970	950
Maharashtra	Amravati	Mech-1	8200	9000	-800
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	60	60	Unch
	Hathras	Desi	15	15	Unch
Telangana	Adilabad	Un-Ginned	18938	22571	-3633
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	204	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	3426	4593	-1167
	Hubli	D.C.H.	620	84	536
	Hubli	B.T. Cotton	2	94	-92
	Raichur	H-44 Cotton	NA	2122	-

Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Nov-17	23-Nov-17	
Punjab	Bhatinda	J-34	7310	7650	-340
	Abohar	J-34	850	1020	-170
	Mansa	J-34	595	850	-255
Haryana	Sirsa	J-34	2040	1700	340
Rajasthan	Sri-Ganganagar	J-34	3000	5500	-2500

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				23-Nov-17	22-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40700	41100	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41700	42100	-400
J-34(202)	26mm	3.5 - 4.9	23	36000	36100	-100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	36300	36300	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	37200	37200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38400	38500	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40800	41000	-200
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
		24-Nov-17	23-Nov-17	
Rajkot	Rs. /10 Kg.	685	685	Unch
New Delhi	Rs. /10 Kg.	685	680	5
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
		24-Nov-17	23-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1618	1577	41
Akola	Rs./Qtl	1614	1601	13

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 24-November-2017

Index	RMB/Ton	Change
-------	---------	--------

CCIndex(328)	15882	-16
CCIndex(527)	14845	-5
CCIndex(229)	16395	-17
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 24-November-2017

Index	Cents/lb	Change
FC Index (S)	85.61	Unch
FC Index (M)	81.19	Unch
FC Index (L)	80.27	Unch

Cotlook Index: As on 23rd-November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	81.60	0.85

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.): Ason 23-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

Pakistan Cotton Spot rates: As on 23-November-2017				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6600	145	6745
Equivalent	40 Kgs	7073	155	7228

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2017 Indian Agribusiness Systems Pvt. Ltd.