

## Domestic Fundamentals:

**Market Outlook:** Cotton spot markets witnessed mixed tone on Saturday.

**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	25-Nov-17	24-Nov-17	
Gujarat	Ahmedabad	Shankar-6	Closed	4750	-
	Gondal	Shankar-6	NR	4670	-
	Rajkot	B.T. Cotton	NR	4750	-
	Patan	B.T. Cotton	NR	4700	-
	Kadi	B.T. Cotton	4850	4800	50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NA	-
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	5500	5500	Unch
	Adampur	B.T. Cotton	4656	4650	6
	Fatehabad	B.T. Cotton	4770	4750	20
	Jind	B.T. Cotton	4800	4700	100
	Uchana	B.T. Cotton	4758	4768	-10
	Dabwali	B.T. Cotton	4650	4610	40
Rajasthan	Hanumangarh	B.T. Cotton	4850	4825	25
	Rawatsar	B.T. Cotton	4600	4600	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	4500	-
	Khargaon	Mech-1	4785	4775	10
Maharashtra	Amravati	Mech-1	4500	4450	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6000	6250	-250
	Hathras	Desi	4600	4800	-200
Telangana	Adilabad	Un-Ginned	4525	4520	5
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5130	5130	Unch
	Hubli	D.C.H.	NA	5081	-
	Hubli	B.T. Cotton	NA	5500	-
	Raichur	H-44 Cotton	NA	4670	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	25-Nov-17	24-Nov-17	
Punjab	Bhatinda	J-34	3910	3890	20
	Abohar	J-34	3905	3900	5

	Mansa	J-34	3880	3865	15
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3875	3870	5
Rajasthan	Sri-Ganganagar	J-34	3676	3572	103

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	25-Nov-17	24-Nov-17	
Gujarat	Ahmedabad	Shankar-6	Closed	51000	-
	Gondal	Shankar-6	NR	1770	-
	Rajkot	B.T. Cotton	NR	4650	-
	Patan	B.T. Cotton	NR	5452	-
	Kadi	B.T. Cotton	50000	40000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	3000	Unch
	Bhiwani	Desi	10	10	Unch
	Adampur	B.T. Cotton	6000	6001	-1
	Fatehabad	B.T. Cotton	1000	1000	Unch
	Jind	B.T. Cotton	425	340	85
	Uchana	B.T. Cotton	2930	2885	45
	Dabwali	B.T. Cotton	550	700	-150
Rajasthan	Hanumangarh	B.T. Cotton	2200	2500	-300
	Rawatsar	B.T. Cotton	2000	3000	-1000
Madhya Pradesh	Khandwa	Mech-1	Closed	600	-
	Khargaon	Mech-1	7370	5920	1450
Maharashtra	Amravati	Mech-1	9000	8200	800
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	30	60	-30
	Hathras	Desi	12	15	-3
Telangana	Adilabad	Un-Ginned	20959	18938	2021
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	3430	3426	4
	Hubli	D.C.H.	NA	620	-
	Hubli	B.T. Cotton	NA	2	-
	Raichur	H-44 Cotton	NA	1520	-
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	25-Nov-17	24-Nov-17	
Punjab	Bhatinda	J-34	8500	7310	1190
	Abohar	J-34	850	850	Unch
	Mansa	J-34	850	595	255
Haryana	Sirsa	J-34	1700	2040	-340
Rajasthan	Sri-Ganganagar	J-34	1000	3000	-2000

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				24-Nov-17	23-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	36000	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36400	36300	100
Shankar-6(105)	29mm	3.5 - 4.9	28	37300	37200	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38500	38400	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40800	40800	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
		25-Nov-17	24-Nov-17	
Rajkot	Rs. /10 Kg.	700	685	15
New Delhi	Rs. /10 Kg.	690	685	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
		25-Nov-17	24-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1620	1618	2
Akola	Rs./Qtl	1613	1614	-1

**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	<b>-17</b>
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	<b>Unch</b>
FC Index (M)	81.19	<b>Unch</b>
FC Index (L)	80.27	<b>Unch</b>

**Cotlook Index: As on 24th-November-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	81.60	<b>Unch</b>

**USDA Cotton Spot Rates: As on 24-November-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
<b>Southeast</b>	72.68	74.43	<b>NIL</b>
<b>North Delta</b>	71.18	72.93	<b>3131</b>
<b>South Delta</b>	71.18	72.93	<b>NIL</b>
<b>East TX-OK</b>	69.25	71.00	<b>5294</b>
<b>West Texas</b>	69.25	71.25	<b>13290</b>
<b>Desert SW</b>	66.68	70.68	<b>48</b>
<b>SJ Valley</b>	67.93	76.83	<b>76</b>

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 24-November-2017**

Contract	Open	High	Low	Close	Change
<b>Dec-17</b>	70.80	72.34	70.60	72.23	<b>1.49</b>
<b>Mar-18</b>	71.14	72.08	71.07	71.93	<b>0.79</b>
<b>May-18</b>	71.92	72.93	71.92	72.82	<b>0.84</b>
<b>Jul-18</b>	72.45	73.37	72.37	73.28	<b>0.84</b>
<b>Oct-18</b>	71.53	71.53	71.53	71.53	<b>0.50</b>
<b>Dec-18</b>	70.94	71.20	70.70	71.11	<b>0.41</b>

<b>Pakistan Cotton Spot rates: As on 24-November-2017</b>				<b>(in Pakistan Rupees)</b>
<b>Product</b>	<b>Rate for</b>	<b>Ex-Gin Price</b>	<b>Up Country Sales</b>	<b>Spot Rate Karachi</b>
<b>Cotton</b>	<b>37.32 Kgs</b>	6600	145	6745
<b>Equivalent</b>	<b>40 Kgs</b>	7073	155	7228

#### Disclaimer

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