

Domestic Fundamentals:

Market Outlook: Cotton spot markets noticed range –bound to weak 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:

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 the regional department of agriculture, cotton output in Kazakhstan increased by 17% in 2017 to 328,000 metric tonnes compared to previous year. Kazakhstan exports cotton to Russia, Belarus, Germany, Latvia, China, Belgium, Iran, Ukraine, Italy, and South Korea. Since the beginning of this year, the country has exported 30,000 tonnes of cotton. Cotton contributes 40% of the region's total agricultural output.

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)	0.5	926	929.00	923.50	928.5	1,673	-971	6601	419

Spread	Cont (C1)		
Spot	21.50	-	-
	-	-	-

Updated at 05:00 pm as on 28-Nov 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-17	-120	18340.00	18340.00	18190.00	18400.00	344	-436	844	-849
Dec-17	-90.00	18470.00	18470.00	18370.00	18540.00	609	-155	5033	332

Spread	Nov-17	Dec-17	-	-	--	--
Spot				-	-	-
Dec-17	-140			-	-	-

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

* Updated at 05:00 pm as on 28-Nov 2017

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Nov-17	27-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4700	4750	-50
	Gondal	Shankar-6	4650	NR	-
	Rajkot	B.T. Cotton	4750	4715	35
	Patan	B.T. Cotton	4760	4730	30
	Kadi	B.T. Cotton	4700	4800	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	4625	-
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	5600	5500	100
	Adampur	B.T. Cotton	4650	4660	-10
	Fatehabad	B.T. Cotton	4680	4740	-60
	Jind	B.T. Cotton	4850	4750	100
	Uchana	B.T. Cotton	4715	4765	-50
	Dabwali	B.T. Cotton	4550	4590	-40
Rajasthan	Hanumangarh	B.T. Cotton	4800	4850	-50
	Rawatsar	B.T. Cotton	4550	4590	-40
Madhya Pradesh	Khandwa	Mech-1	4600	4600	Unch
	Khargaon	Mech-1	4805	4875	-70
Maharashtra	Amravati	Mech-1	4650	4625	25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NR	-
	Hathras	Desi	NR	NR	-
Telangana	Adilabad	Un-Ginned	4475	4520	-45
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4789	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	5108	-
	Hubli	D.C.H.	5151	5146	5
	Hubli	B.T. Cotton	6000	6625	-625
	Raichur	H-44 Cotton	NA	4770	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Nov-17	27-Nov-17	
Punjab	Bhatinda	J-34	3895	3900	-5
	Abohar	J-34	3890	3900	-10

	Mansa	J-34	3865	3875	-10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3865	3870	-5
Rajasthan	Sri-Ganganagar	J-34	3643	3666	-24

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Nov-17	27-Nov-17	
Gujarat	Ahmedabad	Shankar-6	54400	59500	-5100
	Gondal	Shankar-6	2868	NR	-
	Rajkot	B.T. Cotton	4100	4750	-650
	Patan	B.T. Cotton	14322	10483	3839
	Kadi	B.T. Cotton	55000	55000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	217	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	2000	1000
	Bhiwani	Desi	30	NA	-
	Adampur	B.T. Cotton	7001	8000	-1000
	Fatehabad	B.T. Cotton	1300	1100	200
	Jind	B.T. Cotton	340	510	-170
	Uchana	B.T. Cotton	3125	3325	-200
	Dabwali	B.T. Cotton	750	1300	-550
Rajasthan	Hanumangarh	B.T. Cotton	3000	2500	500
	Rawatsar	B.T. Cotton	5000	4000	1000
Madhya Pradesh	Khandwa	Mech-1	700	600	100
	Khargaon	Mech-1	1037	6700	-5663
Maharashtra	Amravati	Mech-1	10000	10000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NR	-
	Hathras	Desi	NR	NR	-
Telangana	Adilabad	Un-Ginned	23172	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	368	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5560	-
	Hubli	D.C.H.	690	42	648
	Hubli	B.T. Cotton	6	156	-150
	Raichur	H-44 Cotton	NA	2030	-
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	28-Nov-17	27-Nov-17	
Punjab	Bhatinda	J-34	6800	7650	-850
	Abohar	J-34	1360	1530	-170
	Mansa	J-34	850	1190	-340
Haryana	Sirsa	J-34	1700	2040	-340
Rajasthan	Sri-Ganganagar	J-34	5000	4000	1000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				27-Nov-17	25-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40400	40700	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41400	41700	-300
J-34(202)	26mm	3.5 - 4.9	23	36400	36200	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36300	36400	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	37200	37300	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38500	38600	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40800	40900	-100
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
		28-Nov-17	27-Nov-17	
Rajkot	Rs. /10 Kg.	680	700	-20
New Delhi	Rs. /10 Kg.	690	690	Unch
Hyderabad	Rs. /10 Kg.	690	695	-5
Mumbai	Rs. /10 Kg.	700	700	Unch

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

Centre	Unit	Price		Change
		28-Nov-17	27-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1559	1570	-11
Akola	Rs./Qtl	1579	1595	-16

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 28-November-2017

Index	RMB/Ton	Change
CCIndex(328)	15872	-9

CCIndex(527)	14827	-16
CCIndex(229)	16378	-17
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 28-November-2017

Index	Cents/lb	Change
FC Index (S)	85.95	-0.40
FC Index (M)	81.57	-0.33
FC Index (L)	80.55	-0.44

Cotlook Index: As on 27th-November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	82.35	0.75

USDA Cotton Spot Rates: As on 27-November-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	72.17	73.92	NIL
North Delta	70.67	72.42	NIL
South Delta	70.67	72.42	NIL
East TX-OK	69.00	70.75	2600
West Texas	69.00	71.00	10331
Desert SW	66.17	70.17	NIL
SJ Valley	67.42	76.32	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 27-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	71.91	72.65	71.84	72.15	-0.08
Mar-18	71.98	72.39	71.19	71.42	-0.51
May-18	72.84	73.19	72.09	72.24	-0.58
Jul-18	73.25	73.52	72.56	72.67	-0.61
Oct-18	70.91	70.91	70.91	70.91	-0.62
Dec-18	71.05	71.16	70.70	70.76	-0.35

Pakistan Cotton Spot rates: As on 27-November-2017

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
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Cotton	37.32 Kgs	6600	145	6745
Equivalent	40 Kgs	7073	155	7228

Disclaimer

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