

Domestic Fundamentals:

Market Outlook: Cotton spot market mostly noticed range-bound to weak tone Wednesday.

In The News: Cotton Association of India has called for the government to roll back the Reverse Charge Mechanism (RCM) of GST collection on kapas as it blocks their working capital and adds to costs. The Association has also asked the government for speedy resolution of pending RCM refunds. The Association has indicated that if the issue of RCM was not resolved in the next meeting of the GST Council to be held on 21st December 2017, they would go on an indefinite strike 22nd December 2017 onwards.

Cotton crops in Maharashtra and Telangana are said to have sustained large losses on account of pink bollworm attack. As much as 1.4 million hectare or about 30% of Maharashtra's acreage is likely to have been affected. This will likely result into final crop estimates settling lower than the previous estimates. Cotton Association of India (CAI) in its first estimate for the cotton crop season 2017-18 beginning October 1, 2017 had put the country's cotton crop at 375 lakh bales of 170 kg each compared to last year's crop of 337.25 lakh bales.

India's current cotton crop for the season ending this September is expected to be about 34.1 million bales.

The Cotton Corporation of India (CCI) has started procuring cotton in major districts of Andhra Pradesh which are Prakasam, Guntur, Kurnool and Krishna. So far, it has procured 30331.48 Qtls valued at 13.00 crore.

Despite higher production, adverse impact on quality and yields caused by pink bollworm attack on cotton in Maharashtra and Andhra Pradesh is expected to help keep prices above the MSP till fresh arrivals

According to the official figures, cotton has been sown on 123.17 lakh hectares as on October 6, 2017 across the country which is 20.20% higher than same time last year. Agriwatch expects production to rise by 15-18% to nearly 400 lakh bales.

The Cotton Association of India (CAI) predicted India to produce 375 lakh bales of cotton in 2017-18.

With a view to facilitate domestic manufacturing industry, the Indian government has raised basic customs duty (BCD) on polyester/man-made fabric from 10% to 20%. This will be supportive of cotton prices too.

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. 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 fortnightly report issued by the Pakistan Cotton Ginners Association (PCGA) on Saturday, a total of 0.20 million bales were sold to exporters, which was 33.10 percent higher than 0.15 million bales last year.

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.

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.

On the back of a higher production estimate in India and 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). ICAC also projected cotton export of 3.1 MMT from U.S (which is the largest cotton exporter in the world) and an import of 1.4 MMT by Bangladesh in 2017-18. 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)	7	945.00	954	943.50	949	3104	-1431	6665	-64

Spread	Cont (C1)								
	-14								
Spot					-		-		
	-				-		-		

Updated at 05:00 pm as on 30-Nov 2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Nov-17	150	18410	18510	18410	18490	628	-128	456	388
Dec-17	140	18650	18800	18450	18650	1828	-1219	5452	-149

Spread	Nov-27	Dec-27	-	-	--	--
Spot				-	-	-
Dec-17	-290			-	-	-

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

* Updated at 05:00 pm as on 30-Nov 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	30-Nov-17	29-Nov-17	
Gujarat	Ahmedabad	Shankar-6	4750	4700	50
	Gondal	Shankar-6	4750	4695	55
	Rajkot	B.T. Cotton	4760	4700	60
	Patan	B.T. Cotton	4735	4740	-5
	Kadi	B.T. Cotton	4800	4900	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4640	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4800	4750	50
	Bhiwani	Desi	5700	5550	150
	Adampur	B.T. Cotton	4710	4640	70
	Fatehabad	B.T. Cotton	4710	4680	30
	Jind	B.T. Cotton	4900	4800	100
	Uchana	B.T. Cotton	NR	4715	-
	Dabwali	B.T. Cotton	4600	4555	45
Rajasthan	Hanumangarh	B.T. Cotton	4820	4800	20
	Rawatsar	B.T. Cotton	4630	4575	55
Madhya Pradesh	Khandwa	Mech-1	4550	4550	Unch
	Khargaon	Mech-1	4730	4760	-30
Maharashtra	Amravati	Mech-1	4575	4600	-25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	6000	5850	150
	Hathras	Desi	4600	4500	100
Telangana	Adilabad	Un-Ginned	4500	4475	25
Andhra Pradesh	Guntur	Un-Ginned	3700	3800	-100
	Kurnool	Un-Ginned	4395	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	4939	4939	Unch
	Hubli	D.C.H.	5155	5149	6
	Hubli	B.T. Cotton	NA	6489	-
	Raichur	H-44 Cotton	4750	4750	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	30-Nov-17	29-Nov-17	
Punjab	Bhatinda	J-34	3910	3890	20
	Abohar	J-34	3910	3895	15

	Mansa	J-34	3885	3870	15
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3900	3865	35
Rajasthan	Sri-Ganganagar	J-34	3676	3638	38

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	30-Nov-17	29-Nov-17	
Gujarat	Ahmedabad	Shankar-6	59500	68000	-8500
	Gondal	Shankar-6	1992	2556	-564
	Rajkot	B.T. Cotton	3750	4550	-800
	Patan	B.T. Cotton	18127	17709	418
	Kadi	B.T. Cotton	30000	65000	-35000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	587	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	2000	3000	-1000
	Bhiwani	Desi	10	20	-10
	Adampur	B.T. Cotton	1700	5000	-3300
	Fatehabad	B.T. Cotton	1300	1500	-200
	Jind	B.T. Cotton	850	500	350
	Uchana	B.T. Cotton	NR	3385	-
	Dabwali	B.T. Cotton	950	1000	-50
Rajasthan	Hanumangarh	B.T. Cotton	3200	3000	200
	Rawatsar	B.T. Cotton	4000	5000	-1000
Madhya Pradesh	Khandwa	Mech-1	300	500	-200
	Khargaon	Mech-1	7480	8220	-740
Maharashtra	Amravati	Mech-1	11000	11000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	12	50	-38
	Hathras	Desi	30	12	18
Telangana	Adilabad	Un-Ginned	17577	20681	-3104
Andhra Pradesh	Guntur	Un-Ginned	640	675	-35
	Kurnool	Un-Ginned	124	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	4920	4915	5
	Hubli	D.C.H.	476	106	370
	Hubli	B.T. Cotton	NA	10	-
	Raichur	H-44 Cotton	1620	1780	-160
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	30-Nov-17	29-Nov-17	
Punjab	Bhatinda	J-34	7650	7650	Unch
	Abohar	J-34	1020	1190	-170
	Mansa	J-34	935	850	85
Haryana	Sirsa	J-34	2550	2550	Unch
Rajasthan	Sri-Ganganagar	J-34	6000	4000	2000

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				29-Nov-17	28-Nov-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40300	40300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41200	41200	Unch
J-34(202)	26mm	3.5 - 4.9	23	36300	36300	Unch
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	38600	38500	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40900	40800	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
		30-Nov-17	29-Nov-17	
Rajkot	Rs. /10 Kg.	678	675	3
New Delhi	Rs. /10 Kg.	680	685	-5
Hyderabad	Rs. /10 Kg.	685	685	Unch
Mumbai	Rs. /10 Kg.	695	702	-7

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

Centre	Unit	Price		Change
		30-Nov-17	29-Nov-17	
Mahesana (Kadi)	Rs./Qtl	1571	1559	12
Akola	Rs./Qtl	1590	1578	12

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 30-November-2017

Index	RMB/Ton	Change
CCIndex(328)	15860	-9
CCIndex(527)	14822	Unch
CCIndex(229)	16369	-8
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 30-November-2017

Index	Cents/lb	Change
FC Index (S)	87.69	1.10
FC Index (M)	83.38	1.07
FC Index (L)	82.21	1.19

Cotlook Index: As on 29th-November-2017

Cotlook Indices	Cents/Pound	Change
A-Index	82.45	0.70

USDA Cotton Spot Rates: As on 29-November-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	74.18	75.93	100
North Delta	72.68	74.43	2948
South Delta	72.68	74.43	310
East TX-OK	70.50	72.25	6079
West Texas	70.50	72.50	25215
Desert SW	68.18	72.18	NIL
SJ Valley	69.43	78.33	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 29-November-2017

Contract	Open	High	Low	Close	Change
Dec-17	72.45	75.52	72.45	75.52	1.47
Mar-18	72.08	73.46	71.75	73.43	1.29
May-18	72.78	74.01	72.41	73.97	1.16
Jul-18	73.01	74.17	72.74	74.15	1.04
Oct-18	71.50	71.70	71.50	71.70	0.72
Dec-18	70.40	71.00	70.40	70.97	0.46

Pakistan Cotton Spot rates: As on 29-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

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