

Domestic Fundamentals:

Market Outlook: Cotton spot markets noticed range –bound to firm tone on Friday.

In The News: Chief Minister of Maharashtra, Mr Fadnavis said the government would ensure that all the cotton farmers, affected from Pink bollworm would get compensation from crop insurance, compensation from seed companies concerned and moreover from the state government.

Ginners across the country have decided to observe a day's strike on Friday, with the threat of more action later, in protest at the five per cent goods and services tax (GST) on cotton.

Election fever in India's largest cotton producing state Gujarat has hit arrivals this month. According to traders and brokers, arrival of new crop has declined 35 per cent compared to last year.

Experts of Punjab Agricultural University said that Picking should be completed as early as possible and trashes of cotton and unopened bolls should be removed from field, after last picking allow goats, sheep and other animals to graze on unopened bolls and plant debris in the cotton fields.

Cotton Advisory Board (CAB) has estimated that cotton production in 2017-18 is likely to rise 9.3 per cent to 37.7 million bales.

In a major action against faulty Bt cotton seeds in Maharashtra, the agriculture department has seized failed seeds worth 24 crore from an unnotified godown in Aurangabad. After department officials got a tip-off, the quality control cell of the agriculture commissionerate seized 1,279 quintals of Bt cotton seeds produced by Green Gold seeds, which had either expired or were mixed with non-Bt seeds but were to be sold as Bt seeds.

The Cotton Corporation of India (CCI) has procured 1.29 lakh tonnes of cotton in Telangana so far this season. The CCI made these purchases from 243 centres that it set up for the season. And also opened its collection centres in 202 ginning mills and 41 public market yards.

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.

International Fundamentals:

Global cotton area for 2017-18 is projected to increase by 11 per cent to 32.5 million hectares. As a result, global cotton production is forecast to grow by 12 per cent during 2017-18, compared to 7 per cent growth in 2016-17, the International Cotton Advisory Committee (ICAC).

Pakistan government has allowed cotton imports from India, though with a set of rules which are being seen as “tough” by local importers there. A permit from the Department of Plant Protection of Pakistan’s food ministry would be mandatory for any trader to import unprocessed cotton, including raw or seed cotton, cotton lint, linters, cotton waste and cotton stuffing from India.

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).

Pakistan government has allowed cotton imports from India, though with a set of rules which are being seen as “tough” by local importers there. A permit from the Department of Plant Protection of Pakistan’s food ministry would be mandatory for any trader to import unprocessed cotton, including raw or seed cotton, cotton lint, linters, cotton waste and cotton stuffing from India.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	9.5	992	1002	985	999.50A	4561	269	8759	361

Spread	Cont (C1)					
	-20					
Spot			-		-	
	-		-		-	

Updated at 05:00 pm as on 15–Dec-2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-17	240	19490	19690	19460	19680	1626	997	4040	3584
Jan-17	240	19700	19930	19690	19910	1607	602	5895	1645

Spread	DEC-17	Jan-17	-	-	--	--
Spot				-	-	-
Jan-17	-240			-	-	-

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	15-Dec-17	14-Dec-17	
Gujarat	Ahmedabad	Shankar-6	5050	5050	Unch
	Gondal	Shankar-6	5100	5040	60
	Rajkot	B.T. Cotton	5095	5060	35
	Patan	B.T. Cotton	5070	NR	-
	Kadi	B.T. Cotton	5150	Closed	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5070	5000	70
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5070	5025	45
	Bhiwani	Desi	5800	5800	Unch
	Adampur	B.T. Cotton	4961	4870	91
	Fatehabad	B.T. Cotton	5000	4910	90
	Jind	B.T. Cotton	5153	4850	303
	Uchana	B.T. Cotton	4984	4865	119
	Dabwali	B.T. Cotton	4820	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	5010	4970	40
	Rawatsar	B.T. Cotton	4800	4825	-25
Madhya Pradesh	Khandwa	Mech-1	Closed	4880	-
	Khargaon	Mech-1	5016	5020	-4
Maharashtra	Amravati	Mech-1	4625	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5500	5800	-300
	Hathras	Desi	4500	4650	-150
Telangana	Adilabad	Un-Ginned	4760	NA	-
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	5509	5409	100
	Hubli	D.C.H.	5339	5451	-112
	Hubli	B.T. Cotton	7225	7251	-26
	Raichur	H-44 Cotton	NA	5200	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	15-Dec-17	14-Dec-17	
Punjab	Bhatinda	J-34	4100	4040	60
	Abohar	J-34	4110	4040	70
	Mansa	J-34	4060	4000	60
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4070	4020	50
Rajasthan	Sri-Ganganagar	J-34	3807	3760	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Dec-17	14-Dec-17	
Gujarat	Ahmedabad	Shankar-6	54400	54400	Unch
	Gondal	Shankar-6	2837	3000	-163
	Rajkot	B.T. Cotton	5600	6000	-400
	Patan	B.T. Cotton	11485	NR	-
	Kadi	B.T. Cotton	35000	Closed	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	302	323	-21
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	2500	2500	Unch
	Bhiwani	Desi	10	10	Unch
	Adampur	B.T. Cotton	10030	5000	5030
	Fatehabad	B.T. Cotton	1500	1400	100
	Jind	B.T. Cotton	1275	935	340
	Uchana	B.T. Cotton	3300	2100	1200
	Dabwali	B.T. Cotton	800	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	3000	Unch
	Rawatsar	B.T. Cotton	5000	3000	2000
Madhya Pradesh	Khandwa	Mech-1	Closed	2140	-
	Khargaon	Mech-1	8590	9550	-960
Maharashtra	Amravati	Mech-1	5000	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	25	45	-20
	Hathras	Desi	12	15	-3
Telangana	Adilabad	Un-Ginned	10494	NA	-
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	2940	2710	230
	Hubli	D.C.H.	6	334	-328
	Hubli	B.T. Cotton	70	12	58
	Raichur	H-44 Cotton	NA	1220	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	15-Dec-17	14-Dec-17	
Punjab	Bhatinda	J-34	6800	5950	850

	Abohar	J-34	850	1190	-340
	Mansa	J-34	425	510	-85
Haryana	Sirsa	J-34	2040	6800	-4760
Rajasthan	Sri-Ganganagar	J-34	700	600	100

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				14-Dec-17	13-Dec-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41000	40500	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41700	41200	500
J-34(202)	26mm	3.5 - 4.9	23	38100	37700	400
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37100	36800	300
Shankar-6(105)	29mm	3.5 – 4.9	28	38900	38600	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40200	39900	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42500	42200	300
DCH-32(107)	34mm	3.0 - 3.8	33	54300	53800	500

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

Centre	Unit	Price		Change
		15-Dec-17	14-Dec-17	
Rajkot	Rs. /10 Kg.	675	670	5
New Delhi	Rs. /10 Kg.	670	670	Unch
Hyderabad	Rs. /10 Kg.	670	670	Unch
Mumbai	Rs. /10 Kg.	692	692	Unch

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

Centre	Unit	Price		Change
		15-Dec-17	14-Dec-17	
Mahesana (Kadi)	Rs./Qtl	1691	1665	26
Akola	Rs./Qtl	1708	1682	26

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 15-December-2017

Index	RMB/Ton	Change
CCIndex(328)	15797	-6
CCIndex(527)	14750	-1

CCIndex(229)	16316	-5
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 14-December-2017

Index	Cents/lb	Change
FC Index (S)	88.16	1.20
FC Index (M)	85.12	1.20
FC Index (L)	83.38	1.19

Cotlook Index: As on 14th-December-2017

Cotlook Indices	Cents/Pound	Change
A-Index	84.70	1.25

USDA Cotton Spot Rates: As on 14th-December-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	76.33	78.08	209
North Delta	74.58	76.33	NIL
South Delta	74.58	76.33	NIL
East TX-OK	72.75	74.50	11269
West Texas	72.25	74.25	19367
Desert SW	70.08	74.08	65
SJ Valley	71.33	80.23	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 14th-December-2017

Contract	Open	High	Low	Close	Change
Mar-18	74.09	75.56	73.90	75.33	1.20
May-18	74.41	75.84	74.20	75.63	1.08
Jul-18	74.74	76.10	74.49	75.97	1.10
Oct-18	73.57	73.57	73.57	73.57	0.41
Dec-18	72.08	72.95	72.05	72.47	0.17
Mar-19	72.04	72.60	72.04	72.27	0.14

Pakistan Cotton Spot rates: As on 14th-December-2017

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6850	145	6995
Equivalent	40 Kgs	7341	155	7496

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.