

Domestic Fundamentals:

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

In The News: Cotton yarn exports declined 10 %, mainly due to policy lapses, exports between April and September in 2016 was 517 million kg and it was 464 million kg during the same period this year

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).

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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)	-15	1000	1000	985	986.5	5006	445	8965	206

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

Updated at 05:00 pm as on 18-Dec-2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-17	-210	19700	19780	19510	19530	2125	499	3658	-382
Jan-17	-200	19920	20010	19730	1977	2469	862	5932	37

Spread	DEC-17	Jan-17	-	-	--	--
Spot				-	-	-
Jan-17	-230			-	-	-

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Dec-17	16-Dec-17	
Gujarat	Ahmedabad	Shankar-6	Closed	5125	-
	Gondal	Shankar-6	Closed	5165	-
	Rajkot	B.T. Cotton	NR	NR	-
	Patan	B.T. Cotton	5205	NR	-
	Kadi	B.T. Cotton	5250	5200	50
	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	5050	5200	-150
	Bhiwani	Desi	6000	6000	Unch
	Adampur	B.T. Cotton	4940	5060	-120
	Fatehabad	B.T. Cotton	4980	5100	-120
	Jind	B.T. Cotton	5210	5324	-114
	Uchana	B.T. Cotton	5089	5037	52
	Dabwali	B.T. Cotton	4870	4920	-50
Rajasthan	Hanumangarh	B.T. Cotton	5100	NR	-
	Rawatsar	B.T. Cotton	4900	4920	-20
Madhya Pradesh	Khandwa	Mech-1	NR	Closed	-
	Khargaon	Mech-1	5365	Closed	-
Maharashtra	Amravati	Mech-1	4800	4800	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5400	5500	-100
	Hathras	Desi	4400	4500	-100
Telangana	Adilabad	Un-Ginned	NA	4900	-
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	5779	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5320	5320	Unch
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	18-Dec-17	16-Dec-17	
Punjab	Bhatinda	J-34	4090	4135	-45
	Abohar	J-34	4100	4130	-30
	Mansa	J-34	4065	4100	-35

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4060	4115	-55
Rajasthan	Sri-Ganganagar	J-34	3732	3784	-52

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Dec-17	16-Dec-17	
Gujarat	Ahmedabad	Shankar-6	Closed	54400	-
	Gondal	Shankar-6	Closed	3340	-
	Rajkot	B.T. Cotton	NR	NR	-
	Patan	B.T. Cotton	7658	NR	-
	Kadi	B.T. Cotton	35000	40000	-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	2000	1000
	Bhiwani	Desi	10	10	Unch
	Adampur	B.T. Cotton	7004	8000	-996
	Fatehabad	B.T. Cotton	1400	1400	Unch
	Jind	B.T. Cotton	1445	1445	Unch
	Uchana	B.T. Cotton	3710	3750	-40
	Dabwali	B.T. Cotton	1450	1070	380
Rajasthan	Hanumangarh	B.T. Cotton	3000	NR	-
	Rawatsar	B.T. Cotton	3000	5000	-2000
Madhya Pradesh	Khandwa	Mech-1	NR	Closed	-
	Khargaon	Mech-1	8320	Closed	-
Maharashtra	Amravati	Mech-1	5000	11000	-6000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	20	25	-5
	Hathras	Desi	NA	12	-
Telangana	Adilabad	Un-Ginned	NA	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	3350	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1370	1365	5
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Dec-17	16-Dec-17	

Punjab	Bhatinda	J-34	6800	7650	-850
	Abohar	J-34	1700	1530	170
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	1530	1700	-170
Rajasthan	Sri-Ganganagar	J-34	700	700	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				16-Dec-17	14-Dec-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41400	41000	400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42100	41700	400
J-34(202)	26mm	3.5 - 4.9	23	38900	38100	800
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38000	37100	900
Shankar-6(105)	29mm	3.5 - 4.9	28	39800	38900	900
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41000	40200	800
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43300	42500	800
DCH-32(107)	34mm	3.0 - 3.8	33	55800	54300	1500

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

Centre	Unit	Price		Change
		18-Dec-17	16-Dec-17	
Rajkot	Rs. /10 Kg.	680	675	5
New Delhi	Rs. /10 Kg.	670	670	Unch
Hyderabad	Rs. /10 Kg.	680	670	10
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
		18-Dec-17	16-Dec-17	
Mahesana (Kadi)	Rs./Qtl	1764	1711	53
Akola	Rs./Qtl	1745	1720	25

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 18-December-2017

Index	RMB/Ton	Change
CCIndex(328)	15797	Unch

CCIndex(527)	14746	-4
CCIndex(229)	16315	-1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 18-December-2017

Index	Cents/lb	Change
FC Index (S)	89.85	1.69
FC Index (M)	86.81	1.69
FC Index (L)	85.03	1.65

Cotlook Index: As on 15th-December-2017

Cotlook Indices	Cents/Pound	Change
A-Index	85.90	1.20

USDA Cotton Spot Rates: As on 15th-December-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	76.92	78.67	274
North Delta	75.17	76.92	NIL
South Delta	75.17	76.92	NIL
East TX-OK	73.25	75.00	11000
West Texas	72.75	74.75	30215
Desert SW	70.67	74.67	500
SJ Valley	71.92	80.82	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 15th-December-2017

Contract	Open	High	Low	Close	Change
Mar-18	75.06	76.75	75.04	75.92	0.59
May-18	75.44	76.80	75.38	76.32	0.69
Jul-18	75.82	77.00	75.75	76.74	0.77
Oct-18	73.85	73.85	73.85	73.85	0.28
Dec-18	72.55	72.98	72.50	72.88	0.41
Mar-19	72.53	72.56	72.50	72.56	0.29

Pakistan Cotton Spot rates: As on 16th-December-2017

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7000	145	7145

Equivalent	40 Kgs	7502	155	7657
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