

Domestic Fundamentals:

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

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)	-3.5	988	988	978.5	984	3195	-1811	9119	154

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

Updated at 05:00 pm as on 19-Dec-2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-17	-120	19500	19500	19360	19410	1188	-937	3361	-297
Jan-17	-140	19720	19740	19610	19650	1361	-1108	6086	154

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	19-Dec-17	18-Dec-17	
Gujarat	Ahmedabad	Shankar-6	5100	Closed	-
	Gondal	Shankar-6	5165	Closed	-
	Rajkot	B.T. Cotton	5160	NR	-
	Patan	B.T. Cotton	5220	5205	15
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	4800	NA	-
	Dhrol	B.T. Cotton	5065	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5080	5050	30
	Bhiwani	Desi	6000	6000	Unch
	Adampur	B.T. Cotton	4940	4940	Unch
	Fatehabad	B.T. Cotton	4980	4980	Unch
	Jind	B.T. Cotton	5175	5210	-35
	Uchana	B.T. Cotton	5040	5089	-49
	Dabwali	B.T. Cotton	4840	4870	-30
Rajasthan	Hanumangarh	B.T. Cotton	5050	5100	-50
	Rawatsar	B.T. Cotton	4900	4900	Unch
Madhya Pradesh	Khandwa	Mech-1	5000	NR	-
	Khargaon	Mech-1	5265	5365	-100
Maharashtra	Amravati	Mech-1	4800	4800	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5400	5400	Unch
	Hathras	Desi	4400	4400	Unch
Telangana	Adilabad	Un-Ginned	5000	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	5444	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	NA	5779	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5320	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	19-Dec-17	18-Dec-17	
Punjab	Bhatinda	J-34	4080	4090	-10
	Abohar	J-34	4090	4100	-10
	Mansa	J-34	4050	4065	-15

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4060	4060	Unch
Rajasthan	Sri-Ganganagar	J-34	NR	3732	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	19-Dec-17	18-Dec-17	
Gujarat	Ahmedabad	Shankar-6	68000	Closed	-
	Gondal	Shankar-6	2985	Closed	-
	Rajkot	B.T. Cotton	5000	NR	-
	Patan	B.T. Cotton	15319	7658	7661
	Kadi	B.T. Cotton	30000	35000	-5000
	Deesa	B.T. Cotton	230	NA	-
	Dhrol	B.T. Cotton	489	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	2500	3000	-500
	Bhiwani	Desi	NA	10	-
	Adampur	B.T. Cotton	5000	7004	-2004
	Fatehabad	B.T. Cotton	1200	1400	-200
	Jind	B.T. Cotton	2125	1445	680
	Uchana	B.T. Cotton	3740	3710	30
	Dabwali	B.T. Cotton	925	1450	-525
Rajasthan	Hanumangarh	B.T. Cotton	2500	3000	-500
	Rawatsar	B.T. Cotton	4000	3000	1000
Madhya Pradesh	Khandwa	Mech-1	600	NR	-
	Khargaon	Mech-1	10650	8320	2330
Maharashtra	Amravati	Mech-1	7000	5000	2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	20	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	447	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	3350	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1370	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Dec-17	18-Dec-17	

Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	1190	1700	-510
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	1360	1530	-170
Rajasthan	Sri-Ganganagar	J-34	NR	700	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				18-Dec-17	16-Dec-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41400	41400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42100	42100	Unch
J-34(202)	26mm	3.5 - 4.9	23	38600	38900	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37800	38000	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	39500	39800	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40700	41000	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43000	43300	-300
DCH-32(107)	34mm	3.0 - 3.8	33	55500	55800	-300

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

Centre	Unit	Price		Change
		19-Dec-17	18-Dec-17	
Rajkot	Rs. /10 Kg.	675	680	-5
New Delhi	Rs. /10 Kg.	670	670	Unch
Hyderabad	Rs. /10 Kg.	675	680	-5
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
		19-Dec-17	18-Dec-17	
Mahesana (Kadi)	Rs./Qtl	1746	1764	-18
Akola	Rs./Qtl	1744	1745	-1

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 19-December-2017

Index	RMB/Ton	Change
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CCIndex(328)	15793	-4
CCIndex(527)	14740	-6
CCIndex(229)	16313	-2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 19-December-2017

Index	Cents/lb	Change
FC Index (S)	89.22	-0.63
FC Index (M)	86.20	-0.61
FC Index (L)	84.30	-0.73

Cotlook Index: As on 16th-December-2017

Cotlook Indices	Cents/Pound	Change
A-Index	86.65	0.75

USDA Cotton Spot Rates: As on 18th-December-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	76.20	77.95	505
North Delta	74.45	76.20	NIL
South Delta	74.45	76.20	NIL
East TX-OK	73.00	74.75	11325
West Texas	72.25	74.25	9473
Desert SW	69.95	73.95	232
SJ Valley	71.20	80.10	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 18th-December-2017

Contract	Open	High	Low	Close	Change
Mar-18	75.98	76.45	75.13	75.20	-0.72
May-18	76.30	76.79	75.48	75.64	-0.68
Jul-18	76.76	77.20	75.94	76.18	-0.56
Oct-18	73.76	73.76	73.76	73.76	-0.09
Dec-18	72.80	72.80	72.52	72.74	-0.14
Mar-19	72.62	72.68	72.54	72.61	0.05

Pakistan Cotton Spot rates: As on 18th-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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