

### Domestic Fundamentals:

**Market Outlook:** Cotton spot markets reported steady to firm.

**In The News:** With Bollgard-II technology failing to control pink bollworms and illegal Bt3 technology seeds flooding the market, farmers in Telangana have demanded State and Central governments to ensure payment of compensation for crop losses they suffered this kharif.

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 ballworm 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.

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

### International Fundamentals:

December crop report, USDA estimated a 2017-18 U.S. crop of 21.44 million bales. Upland production was estimated at 20.71 million bales and extra-long staple (ELS) production at 727,000 bales. Harvested area was an estimated 11.41 million acres, implying a non-harvested area of about 1.21 million acres.

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).

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)	13.5	1007.5	1023.5	1006	1021.5	5846	-255	9638	138

Spread	Cont (C1)								
	-12.50								
Spot					-		-		
	-				-		-		

Updated at 05:00 pm as on 21–Dec-2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-17	170	19600	19810	19570	19770	1815	1128	3078	-215
Jan-17	200	19800	20050	19800	20010	2456	1313	6951	509

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	21-Dec-17	20-Dec-17	
Gujarat	Ahmedabad	Shankar-6	5200	5050	150
	Gondal	Shankar-6	5155	5130	25
	Rajkot	B.T. Cotton	5210	5180	30
	Patan	B.T. Cotton	5270	5250	20
	Kadi	B.T. Cotton	5350	5250	100
	Deesa	B.T. Cotton	4900	4775	125
	Dhrol	B.T. Cotton	5085	5055	30
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5250	5150	100
	Bhiwani	Desi	6000	6000	Unch
	Adampur	B.T. Cotton	5050	4970	80
	Fatehabad	B.T. Cotton	5125	5060	65
	Jind	B.T. Cotton	5300	5240	60
	Uchana	B.T. Cotton	5051	5009	42
	Dabwali	B.T. Cotton	4895	4890	5
Rajasthan	Hanumangarh	B.T. Cotton	5100	5000	100
	Rawatsar	B.T. Cotton	4900	4900	Unch
Madhya Pradesh	Khandwa	Mech-1	5000	5000	Unch
	Khargaon	Mech-1	5200	5240	-40
Maharashtra	Amravati	Mech-1	4800	4800	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5500	5500	Unch
	Hathras	Desi	4400	4400	Unch
Telangana	Adilabad	Un-Ginned	4990	4990	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	5333	5409	-76
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5670	5769	-99
	Hubli	D.C.H.	NA	5459	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5380	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	21-Dec-17	20-Dec-17	
Punjab	Bhatinda	J-34	4100	3970	130
	Abohar	J-34	4105	4075	30
	Mansa	J-34	4060	4040	20

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4075	4055	20
<b>Rajasthan</b>	Sri-Ganganagar	J-34	3760	3760	Unch

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	21-Dec-17	20-Dec-17	
<b>Gujarat</b>	Ahmedabad	Shankar-6	68000	68000	Unch
	Gondal	Shankar-6	3132	3102	30
	Rajkot	B.T. Cotton	4600	4200	400
	Patan	B.T. Cotton	17436	21468	-4032
	Kadi	B.T. Cotton	35000	30000	5000
	Deesa	B.T. Cotton	1000	400	600
	Dhrol	B.T. Cotton	312	375	-63
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	3000	3000	Unch
	Bhiwani	Desi	10	10	Unch
	Adampur	B.T. Cotton	3000	4000	-1000
	Fatehabad	B.T. Cotton	700	600	100
	Jind	B.T. Cotton	1615	1445	170
	Uchana	B.T. Cotton	3100	2780	320
	Dabwali	B.T. Cotton	650	1015	-365
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	3000	3000	Unch
	Rawatsar	B.T. Cotton	4000	4000	Unch
<b>Madhya Pradesh</b>	Khandwa	Mech-1	800	700	100
	Khargaon	Mech-1	8410	8410	Unch
<b>Maharashtra</b>	Amravati	Mech-1	9000	10000	-1000
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	12	30	-18
	Hathras	Desi	NA	12	-
<b>Telangana</b>	Adilabad	Un-Ginned	14117	15105	-988
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	186	179	7
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	2690	2280	410
	Hubli	D.C.H.	NA	8	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1252	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	21-Dec-17	20-Dec-17	

<b>Punjab</b>	Bhatinda	J-34	7650	6800	<b>850</b>
	Abohar	J-34	1190	1360	<b>-170</b>
	Mansa	J-34	680	680	<b>Unch</b>
<b>Haryana</b>	Sirsa	J-34	850	1190	<b>-340</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	500	500	<b>Unch</b>

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				20-Dec-17	19-Dec-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41400	41400	<b>Unch</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42100	42100	<b>Unch</b>
J-34(202)	26mm	3.5 - 4.9	23	38300	38300	<b>Unch</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37900	37600	<b>300</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	39300	39300	<b>Unch</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40800	40400	<b>400</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43000	43000	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	55500	55500	<b>Unch</b>

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

Centre	Unit	Price		Change
		21-Dec-17	20-Dec-17	
Rajkot	Rs. /10 Kg.	670	675	<b>-5</b>
New Delhi	Rs. /10 Kg.	665	665	<b>Unch</b>
Hyderabad	Rs. /10 Kg.	675	680	<b>-5</b>
Mumbai	Rs. /10 Kg.	690	692	<b>-2</b>

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

Centre	Unit	Price		Change
		21-Dec-17	20-Dec-17	
Mahesana (Kadi)	Rs./Qtl	1791	1774	<b>17</b>
Akola	Rs./Qtl	1786	1763	<b>23</b>

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 21-December-2017**

Index	RMB/Ton	Change
CCIndex(328)	15782	<b>-8</b>

CCIndex(527)	14733	-6
CCIndex(229)	16295	-16
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 21-December-2017**

Index	Cents/lb	Change
FC Index (S)	89.50	0.63
FC Index (M)	85.77	0.61
FC Index (L)	83.68	0.72

**Cotlook Index: As on 20th-December-2017**

Cotlook Indices	Cents/Pound	Change
A-Index	85.75	-0.20

**USDA Cotton Spot Rates: As on 20th-December-2017**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	76.71	79.46	324
North Delta	74.96	76.71	1500
South Delta	74.96	76.71	1600
East TX-OK	73.75	75.50	5202
West Texas	73.00	75.00	9322
Desert SW	70.46	74.46	NIL
SJ Valley	71.71	80.61	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 20th-December-2017**

Contract	Open	High	Low	Close	Change
Mar-18	75.00	75.95	74.95	75.71	0.68
May-18	75.37	76.28	75.29	76.12	0.79
Jul-18	75.89	76.74	75.82	76.68	0.83
Oct-18	73.80	73.80	73.80	73.80	0.12
Dec-18	72.73	73.10	72.61	73.09	0.48
Mar-19	72.50	72.50	72.10	72.50	0.07

<b>Pakistan Cotton Spot rates: As on 20th-December-2017</b>				<b>(in Pakistan Rupees)</b>
<b>Product</b>	<b>Rate for</b>	<b>Ex-Gin Price</b>	<b>Up Country Sales</b>	<b>Spot Rate Karachi</b>
<b>Cotton</b>	<b>37.32 Kgs</b>	7000	145	7145
<b>Equivalent</b>	<b>40 Kgs</b>	7502	155	7657

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