

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)	8	1042	1056.5	1036.5	1046.00	9081	3235	10320	682

Spread	Cont (C1)								
	14.50								
Spot					-		-		
	-				-		-		

Updated at 05:00 pm as on 22–Dec-2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-17	110	20010	20080	19920	20020	1279	-536	2601	-477
Jan-18	90	20180	20310	20160	20230	2897	441	7137	186

Spread	DEC-17	Jan-18	-	-	--	--
Spot				-	-	-
Jan-18	-230			-	-	-

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	22-Dec-17	21-Dec-17	
Gujarat	Ahmedabad	Shankar-6	5350	5200	150
	Gondal	Shankar-6	5325	5155	170
	Rajkot	B.T. Cotton	5400	5210	190
	Patan	B.T. Cotton	5280	5270	10
	Kadi	B.T. Cotton	5350	5350	Unch
	Deesa	B.T. Cotton	5000	4900	100
	Dhrol	B.T. Cotton	5205	5085	120
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5350	5250	100
	Bhiwani	Desi	6000	6000	Unch
	Adampur	B.T. Cotton	5250	5050	200
	Fatehabad	B.T. Cotton	5325	5125	200
	Jind	B.T. Cotton	5500	5300	200
	Uchana	B.T. Cotton	5152	5051	101
	Dabwali	B.T. Cotton	5155	4895	260
Rajasthan	Hanumangarh	B.T. Cotton	5250	5100	150
	Rawatsar	B.T. Cotton	5300	4900	400
Madhya Pradesh	Khandwa	Mech-1	NR	5000	-
	Khargaon	Mech-1	5215	5200	15
Maharashtra	Amravati	Mech-1	NR	4800	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5500	5500	Unch
	Hathras	Desi	4400	4400	Unch
Telangana	Adilabad	Un-Ginned	5010	4990	20
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	5333	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	6058	5670	388
	Hubli	D.C.H.	4509	5551	-1042
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5400	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	22-Dec-17	21-Dec-17	
Punjab	Bhatinda	J-34	4200	4100	100
	Abohar	J-34	4210	4105	105
	Mansa	J-34	4170	4060	110

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4175	4075	100
Rajasthan	Sri-Ganganagar	J-34	3854	3760	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Dec-17	21-Dec-17	
Gujarat	Ahmedabad	Shankar-6	68000	68000	Unch
	Gondal	Shankar-6	1760	3132	-1372
	Rajkot	B.T. Cotton	4600	4600	Unch
	Patan	B.T. Cotton	19378	17436	1942
	Kadi	B.T. Cotton	45000	35000	10000
	Deesa	B.T. Cotton	750	1000	-250
	Dhrol	B.T. Cotton	306	312	-6
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	3000	Unch
	Bhiwani	Desi	10	10	Unch
	Adampur	B.T. Cotton	3000	3000	Unch
	Fatehabad	B.T. Cotton	1200	700	500
	Jind	B.T. Cotton	1360	1615	-255
	Uchana	B.T. Cotton	2710	3100	-390
	Dabwali	B.T. Cotton	1050	650	400
Rajasthan	Hanumangarh	B.T. Cotton	4000	3000	1000
	Rawatsar	B.T. Cotton	2000	4000	-2000
Madhya Pradesh	Khandwa	Mech-1	NR	800	-
	Khargaon	Mech-1	7430	8410	-980
Maharashtra	Amravati	Mech-1	NR	9000	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	12	12	Unch
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	15963	14117	1846
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	186	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	2250	2690	-440
	Hubli	D.C.H.	1	38	-37
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1390	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	22-Dec-17	21-Dec-17	

Punjab	Bhatinda	J-34	7650	7650	Unch
	Abohar	J-34	1700	1190	510
	Mansa	J-34	680	680	Unch
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	700	500	200

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				21-Dec-17	20-Dec-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41700	41400	300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42400	42100	300
J-34(202)	26mm	3.5 - 4.9	23	38600	38300	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38300	37900	400
Shankar-6(105)	29mm	3.5 - 4.9	28	39600	39300	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41200	40800	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43200	43000	200
DCH-32(107)	34mm	3.0 - 3.8	33	55800	55500	300

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

Centre	Unit	Price		Change
		22-Dec-17	21-Dec-17	
Rajkot	Rs. /10 Kg.	670	670	Unch
New Delhi	Rs. /10 Kg.	660	665	-5
Hyderabad	Rs. /10 Kg.	675	675	Unch
Mumbai	Rs. /10 Kg.	690	690	Unch

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

Centre	Unit	Price		Change
		22-Dec-17	21-Dec-17	
Mahesana (Kadi)	Rs./Qtl	1893	1791	102
Akola	Rs./Qtl	1836	1786	50

China Cotton Index: As on 22-December-2017

Index	RMB/Ton	Change
CCIndex(328)	15721	-61
CCIndex(527)	14692	-41
CCIndex(229)	16295	Unch

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index : As on 22-December-2017

Index	Cents/lb	Change
FC Index (S)	91.50	2.00
FC Index (M)	87.78	2.01
FC Index (L)	85.86	2.18

Cotlook Index: As on 21th-December-2017

Cotlook Indices	Cents/Pound	Change
A-Index	86.50	0.75

USDA Cotton Spot Rates: As on 21st-December-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.94	81.69	921
North Delta	77.19	78.94	NIL
South Delta	77.19	78.94	NIL
East TX-OK	75.25	77.00	9207
West Texas	74.50	76.50	22362
Desert SW	72.69	76.69	150
SJ Valley	73.94	82.84	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 21st-December-2017

Contract	Open	High	Low	Close	Change
Mar-18	75.63	78.07	75.41	77.94	2.23
May-18	76.15	78.16	75.95	77.96	1.84
Jul-18	76.51	78.41	76.51	78.17	1.49
Oct-18	74.94	74.94	74.94	74.94	1.14
Dec-18	73.00	73.85	72.96	73.74	0.65
Mar-19	72.50	73.09	72.50	73.09	0.59

Pakistan Cotton Spot rates: As on 21st-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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