

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	23-Dec-17	22-Dec-17	
Gujarat	Ahmedabad	Shankar-6	5250	5350	-100
	Gondal	Shankar-6	5305	5325	-20
	Rajkot	B.T. Cotton	5340	5400	-60
	Patan	B.T. Cotton	5300	5280	20
	Kadi	B.T. Cotton	5350	5350	Unch
	Deesa	B.T. Cotton	NA	5000	-
	Dhrol	B.T. Cotton	5265	5205	60
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5400	5350	50
	Bhiwani	Desi	6000	6000	Unch
	Adampur	B.T. Cotton	5200	5250	-50
	Fatehabad	B.T. Cotton	5230	5325	-95
	Jind	B.T. Cotton	5500	5500	Unch
	Uchana	B.T. Cotton	5320	5152	168
	Dabwali	B.T. Cotton	5125	5155	-30
Rajasthan	Hanumangarh	B.T. Cotton	5250	5250	Unch
	Rawatsar	B.T. Cotton	5200	5300	-100
Madhya Pradesh	Khandwa	Mech-1	Closed	NR	-
	Khargaon	Mech-1	5400	5215	185
Maharashtra	Amravati	Mech-1	5100	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5400	5500	-100
	Hathras	Desi	4400	4400	Unch
Telangana	Adilabad	Un-Ginned	NA	5010	-
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	NA	6058	-
	Hubli	D.C.H.	NA	4509	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	23-Dec-17	22-Dec-17	
Punjab	Bhatinda	J-34	4185	4200	-15
	Abohar	J-34	4185	4210	-25
	Mansa	J-34	4150	4170	-20
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-

Haryana	Sirsa	J-34	4160	4175	-15
Rajasthan	Sri-Ganganagar	J-34	3901	3854	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Dec-17	22-Dec-17	
Gujarat	Ahmedabad	Shankar-6	68000	68000	Unch
	Gondal	Shankar-6	2536	1760	776
	Rajkot	B.T. Cotton	5200	4600	600
	Patan	B.T. Cotton	24600	19378	5222
	Kadi	B.T. Cotton	35000	45000	-10000
	Deesa	B.T. Cotton	NA	750	-
	Dhrol	B.T. Cotton	449	306	143
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	6000	3000	3000
	Bhiwani	Desi	NA	10	-
	Adampur	B.T. Cotton	3000	3000	Unch
	Fatehabad	B.T. Cotton	1000	1200	-200
	Jind	B.T. Cotton	1445	1360	85
	Uchana	B.T. Cotton	2920	2710	210
	Dabwali	B.T. Cotton	1250	1050	200
Rajasthan	Hanumangarh	B.T. Cotton	4000	4000	Unch
	Rawatsar	B.T. Cotton	2000	2000	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	NR	-
	Khargaon	Mech-1	9740	7430	2310
Maharashtra	Amravati	Mech-1	12000	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	12	12	Unch
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	15963	-
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	NA	2250	-
	Hubli	D.C.H.	NA	1	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	23-Dec-17	22-Dec-17	
Punjab	Bhatinda	J-34	7650	7650	Unch
	Abohar	J-34	1700	1700	Unch

	Mansa	J-34	850	680	170
Haryana	Sirsa	J-34	1020	850	170
Rajasthan	Sri-Ganganagar	J-34	600	700	-100

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				22-Dec-17	21-Dec-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42000	41700	300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42700	42400	300
J-34(202)	26mm	3.5 - 4.9	23	39300	38600	700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39000	38300	700
Shankar-6(105)	29mm	3.5 - 4.9	28	40400	39600	800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42000	41200	800
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44000	43200	800
DCH-32(107)	34mm	3.0 - 3.8	33	56400	55800	600

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

Centre	Unit	Price		Change
		23-Dec-17	22-Dec-17	
Rajkot	Rs. /10 Kg.	678	670	8
New Delhi	Rs. /10 Kg.	660	660	Unch
Hyderabad	Rs. /10 Kg.	NR	675	-
Mumbai	Rs. /10 Kg.	685	690	-5

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

Centre	Unit	Price		Change
		23-Dec-17	22-Dec-17	
Mahesana (Kadi)	Rs./Qtl	1896	1893	3
Akola	Rs./Qtl	1848	1836	12

INTERNATIONAL PRICES AND INDICES
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 22nd-December-2017

Cotlook Indices	Cents/Pound	Change
A-Index	88.60	2.10

USDA Cotton Spot Rates: As on 22nd-December-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.87	81.62	43160
North Delta	77.12	78.87	NIL
South Delta	77.12	78.87	NIL
East TX-OK	74.75	76.50	5581
West Texas	74.00	76.00	11283
Desert SW	72.62	76.62	82
SJ Valley	73.87	82.77	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 22nd-December-2017

Contract	Open	High	Low	Close	Change
Mar-18	77.35	78.07	77.00	77.87	-0.07
May-18	77.90	78.13	77.09	78.04	0.08
Jul-18	77.63	78.40	77.31	78.34	0.17
Oct-18	75.13	75.13	75.13	75.13	0.19
Dec-18	73.50	74.00	73.30	74.00	0.26
Mar-19	73.00	73.30	72.67	73.30	0.21

Pakistan Cotton Spot rates: As on 22nd-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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