Domestic Fundamentals:

Market Outlook: Cotton spot markets reported steady to firm.

In The News: On the spot markets in Rajkot, each bale (of 170 kg) of 29-mm cotton was quoted at Rs 19,459 as on December 22 from Rs 18,098 quoted a month ago.

Maharashtra government will provide compensation of Rs. 30,800 and Rs. 37,500 per hectare for cotton growers whose crop was damaged by the attack of pest Pink Bollworm, Minister for Agriculture Pandurang Fundkar announced on Friday. The compensation for farmers on irrigated land would be more than the same for non-irrigated land.

Cotton prices at Karachi market have stabilised at Rs7,500 per maund on sustained demand from spinners on Saturday Buyers continue to chase quality lint in the background of diminishing prospects of imports owing to prevailing higher rates in world market. Ginners readily disposed their stocks at current high rates.

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 filed, 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.

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)	18.5	1035	1054.5	1035	1051.5	5172	-3909	9868	-452

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

Updated at 05:00 pm as on 26–Dec-2017

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-17	270	20030	20190	19990	20160.	1031	-248	1941	-660
Jan-18	290	20140	20430	20140	20410	2988	91	7878	741

Spread	DEC-17	Jan-18	-	-	--	--
Spot				-	-	-
Jan-18	-240			-	-	-

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Dec-17	23-Dec-17	
Gujarat	Ahmedabad	Shankar-6	5350	5250	100
	Gondal	Shankar-6	5350	5305	45
	Rajkot	B.T. Cotton	NR	5340	-
	Patan	B.T. Cotton	5370	5300	70
	Kadi	B.T. Cotton	5500	5350	150
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5305	5265	40
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5600	5400	200
	Bhiwani	Desi	6300	6000	300
	Adampur	B.T. Cotton	5375	5200	175
	Fatehabad	B.T. Cotton	5470	5230	240
	Jind	B.T. Cotton	5620	5500	120
	Uchana	B.T. Cotton	5260	5320	-60
	Dabwali	B.T. Cotton	NR	5125	-
Rajasthan	Hanumangarh	B.T. Cotton	5450	5250	200
	Rawatsar	B.T. Cotton	5400	5200	200
Madhya Pradesh	Khandwa	Mech-1	5400	Closed	-
	Khargaon	Mech-1	5300	5400	-100
Maharashtra	Amravati	Mech-1	5150	5100	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5600	5400	200
	Hathras	Desi	4500	4400	100
Telangana	Adilabad	Un-Ginned	NA	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	NA	-
	Hubli	D.C.H.	5551	5610	-59
	Hubli	B.T. Cotton	7269	7259	10
	Raichur	H-44 Cotton	NA	5440	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	26-Dec-17	23-Dec-17	
Punjab	Bhatinda	J-34	4245	4185	60
	Abohar	J-34	4270	4185	85
	Mansa	J-34	4230	4150	80
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-

Haryana	Sirsa	J-34	4240	4160	80
Rajasthan	Sri-Ganganagar	J-34	NR	3901	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	**Centre**	**Variety**	**26-Dec-17**	**23-Dec-17**	
Gujarat	Ahmedabad	Shankar-6	68000	68000	Unch
	Gondal	Shankar-6	2700	2536	164
	Rajkot	B.T. Cotton	NR	5200	-
	Patan	B.T. Cotton	19605	24600	-4995
	Kadi	B.T. Cotton	35000	35000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	324	449	-125
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	2000	6000	-4000
	Bhiwani	Desi	10	NA	-
	Adampur	B.T. Cotton	4000	3000	1000
	Fatehabad	B.T. Cotton	800	1000	-200
	Jind	B.T. Cotton	1275	1445	-170
	Uchana	B.T. Cotton	3950	2920	1030
	Dabwali	B.T. Cotton	NR	1250	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	4000	-1000
	Rawatsar	B.T. Cotton	1000	2000	-1000
Madhya Pradesh	Khandwa	Mech-1	800	Closed	-
	Khargaon	Mech-1	7870	9740	-1870
Maharashtra	Amravati	Mech-1	13000	12000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	30	12	18
	Hathras	Desi	9	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	525	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	26	70	-44
	Hubli	B.T. Cotton	106	74	32
	Raichur	H-44 Cotton	NA	1470	-
Commodity	**Lint**		**Arrivals (Quintal)**		**Change**
State	**Centre**	**Variety**	**26-Dec-17**	**23-Dec-17**	
Punjab	Bhatinda	J-34	6800	7650	-850
	Abohar	J-34	1020	1700	-680

	Mansa	J-34	510	850	-340
Haryana	Sirsa	J-34	510	1020	-510
Rajasthan	Sri-Ganganagar	J-34	NR	600	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				23-Dec-17	22-Dec-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42000	42000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42700	42700	Unch
J-34(202)	26mm	3.5 - 4.9	23	39400	39300	100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	39000	39000	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	40500	40400	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42100	42000	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44000	44000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	56400	56400	Unch

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		26-Dec-17	23-Dec-17	
Rajkot	Rs. /10 Kg.	672	678	-6
New Delhi	Rs. /10 Kg.	660	660	Unch
Hyderabad	Rs. /10 Kg.	665	NR	-
Mumbai	Rs. /10 Kg.	690	685	5

Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		26-Dec-17	23-Dec-17	
Mahesana (Kadi)	Rs./Qtl	1893	1896	-3
Akola	Rs./Qtl	1878	1848	30

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 26-December-2017

Index	RMB/Ton	Change
CCIndex(328)	15719	-2
CCIndex(527)	14692	Unch
CCIndex(229)	16248	-47

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

China Foreign Cotton (FCE) Index : As on 26-December-2017

Index	Cents/lb	Change
FC Index (S)	91.50	Unch
FC Index (M)	87.78	Unch
FC Index (L)	85.86	Unch

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 23rd-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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