

Domestic Fundamentals:

Market Outlook: Cotton spot market prices witnessed mixed tone on Saturday.

In The News: Nearly 9 lakh cotton farmers have approached the Maharashtra government seeking compensation for failed crops after severe pest attack. After complaints of huge losses, the state government has deployed its machinery to survey the affected districts and has also invited applications from the farmers seeking compensation from seed companies.

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:

Cotton yarn export at 85.5 million kg worth US\$255 million (INR 1630 Crore) was up 12 per cent in November as 75 countries imported yarn at an average unit price realization of US \$2.98 kg, US cents 6 less than previous month and US cents 8 higher than last year.

China reduced its import of cotton yarn from India by 4 per cent in value, but still accounted for 40 per cent of total shipment during November followed by Bangladesh and Egypt. 10countries did not import cotton yarn from India as they did last year, that were replaced by 12 countries which imported yarn worth US\$ 12 million, Singapore, Honduras, Lithuania, Argentina and Jordan were among the fastest growing large markets for cotton yarn.

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).

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.

| Contract | | NCDEX Kapas Futures*: (Prices in Rs/20kg) | | | | | | | |
|--|---------|---|------------------------|---------|-----------|------------|-----------|-------|--------|
| | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Cont. (C1) | -1.5 | 1030 | 1039 | 1016 | 1030 | 8626 | 2281 | 11067 | -146 |
| | | | | | | | | | |
| Spread | | Cont | (C1) | | | | | | |
| | | 4 | 0 | | | | | | |
| Spot | | | | | | | | | |
| | | | | | | | | | |
| Updated at 05:00 pm as on 30–Dec-2017 | | | | | | | | | |
| | | <u>M(</u> | CX Cotto | n Futur | es*: (Pri | ces in Rs/ | /170 kgs) | | |
| Contrac | | | | | | | | | |
| t | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Dec-17 | 290 | 20100 | 20430 | 20040 | 20430 | 293 | -328 | 1240 | 115 |
| Jan-18 | -90 | 20340 | 20400 | 20240 | 20260 | 2558 | 2069 | 8493 | 3567 |
| | | | | - | | | _ | | |
| Spread | DEC- | -17 | Jan-18 | | | | | | |
| Spot | | | | | | | | | - |
| Jan-18 | -17 | 0 | | | | | | | - |
| (NB: Spread Basis = Spot- Near Month Future) | | | | | | | | | |
| * Updated a | t 05:00 | pm as on | 30–Dec 20 ⁻ | 17 | | | | | |





DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

| Commodity | | Kapas | Prices (R | s./Quintal) | Ohamana |
|-----------------|---------------|---------------|-----------|-------------|---------|
| State | Centre | Variety | 30-Dec-17 | 29-Dec-17 | Change |
| | Ahmedabad | Shankar-6 | 5400 | 5400 | Unch |
| | Gondal | Shankar-6 | 5335 | NR | - |
| Gujarat | Rajkot | B.T. Cotton | 5370 | 5375 | -5 |
| | Patan | B.T. Cotton | 5300 | 5345 | -45 |
| | Kadi | B.T. Cotton | 5450 | 5500 | -50 |
| | Deesa | B.T. Cotton | 5100 | 5130 | -30 |
| | Dhrol | B.T. Cotton | 5305 | 5360 | -55 |
| Bassa fact | Fazilika | B.T. Cotton | NR | NR | - |
| Punjab | Muktsar | B.T. Cotton | NR | NR | - |
| | Bhiwani | B.T. Cotton | 5525 | 5550 | -25 |
| | Bhiwani | Desi | 6200 | 6300 | -100 |
| | Adampur | B.T. Cotton | 5400 | 5370 | 30 |
| Haryana | Fatehabad | B.T. Cotton | 5450 | 5450 | Unch |
| | Jind | B.T. Cotton | 5590 | 5600 | -10 |
| | Uchana | B.T. Cotton | 5537 | 5564 | -27 |
| | Dabwali | B.T. Cotton | 5250 | 5280 | -30 |
| 5 | Hanumangarh | B.T. Cotton | 5400 | 5450 | -50 |
| Rajasthan | Rawatsar | B.T. Cotton | 5370 | 5350 | 20 |
| Madhya Pradesh | Khandwa | Mech-1 | Closed | 5300 | - |
| | Khargaon | Mech-1 | Closed | 5450 | - |
| Maharashtra | Amravati | Mech-1 | 5150 | NR | - |
| | Jamner | Medium Staple | NA | NA | - |
| | Hathras | B.T. Cotton | 5600 | 5600 | Unch |
| Uttar Pradesh | Hathras | Desi | 4500 | 4500 | Unch |
| Telangana | Adilabad | Un-Ginned | NA | NA | - |
| | Guntur | Un-Ginned | NA | NA | - |
| Anadhan Daodach | Kurnool | Un-Ginned | NA | 5606 | - |
| Andhra Pradesh | Krishna | Un-Ginned | NA | NA | - |
| | East Godavari | Un-Ginned | 4230 | 4320 | -90 |
| | Bijapur | Bunny | 5839 | 5809 | 30 |
| Kamataka | Hubli | D.C.H. | NA | NA | - |
| Karnataka | Hubli | B.T. Cotton | NA | 7151 | - |
| | Raichur | H-44 Cotton | 5400 | 5400 | Unch |
| Commodity | | Lint | Prices (R | s./Maund) | Change |
| State | Centre | Variety | 30-Dec-17 | 29-Dec-17 | Change |
| | Bhatinda | J-34 | 4275 | 4280 | -5 |
| | Abohar | J-34 | 4275 | 4290 | -15 |
| Punjab | Mansa | J-34 | 4225 | 4230 | -5 |
| | Muktsar | J-34 | NR | NR | - |
| | Fazilika | J-34 | NR | NR | - |



| Haryana | Sirsa | J-34 | 4250 | 4250 | Unch |
|-----------|----------------|------|------|------|------|
| Rajasthan | Sri-Ganganagar | J-34 | 3995 | 3972 | 24 |

Cotton Arrivals in Key Centers:

| Cotton Arrivals in Key Centers: | | | | | | | |
|---------------------------------|--|---|--|--|--|--|--|
| | Kapas | Arrivals | (Quintal) | Change | | | |
| Centre | Variety | 30-Dec-17 | 29-Dec-17 | Change | | | |
| Ahmedabad | Shankar-6 | 59500 | 68000 | -8500 | | | |
| Gondal | Shankar-6 | 739 | NR | - | | | |
| Rajkot | B.T. Cotton | 5000 | 5200 | -200 | | | |
| Patan | B.T. Cotton | 19791 | 16794 | 2997 | | | |
| Kadi | B.T. Cotton | 50000 | 45000 | 5000 | | | |
| Deesa | B.T. Cotton | 300 | 400 | -100 | | | |
| Dhrol | B.T. Cotton | 375 | 379 | -4 | | | |
| Fazilika | B.T. Cotton | NR | NR | - | | | |
| Muktsar | B.T. Cotton | NR | NR | - | | | |
| Bhiwani | B.T. Cotton | 1500 | 2500 | -1000 | | | |
| Bhiwani | Desi | NA | 15 | - | | | |
| Adampur | B.T. Cotton | 2500 | 3000 | -500 | | | |
| Fatehabad | B.T. Cotton | 500 | 600 | -100 | | | |
| Jind | B.T. Cotton | 1275 | 595 | 680 | | | |
| Uchana | B.T. Cotton | 1150 | 1120 | 30 | | | |
| Dabwali | B.T. Cotton | 450 | 700 | -250 | | | |
| Hanumangarh | B.T. Cotton | 2500 | 2000 | 500 | | | |
| Rawatsar | B.T. Cotton | 1500 | 1000 | 500 | | | |
| Khandwa | Mech-1 | Closed | 700 | - | | | |
| Khargaon | Mech-1 | Closed | 6320 | - | | | |
| Amravati | Mech-1 | 10000 | NR | - | | | |
| Jamner | Medium Staple | NA | NA | - | | | |
| Hathras | B.T. Cotton | NA | NA | - | | | |
| Hathras | Desi | NA | NA | - | | | |
| Adilabad | Un-Ginned | NA | NA | - | | | |
| Guntur | Un-Ginned | NA | NA | - | | | |
| Kurnool | Un-Ginned | NA | 704 | - | | | |
| Krishna | Un-Ginned | NA | NA | - | | | |
| East Godavari | Un-Ginned | NA | NA | - | | | |
| Bijapur | Bunny | 2400 | 2640 | -240 | | | |
| Hubli | D.C.H. | NA | NA | - | | | |
| Hubli | B.T. Cotton | NA | 16 | - | | | |
| Raichur | H-44 Cotton | 1170 | 1350 | -180 | | | |
| | Lint | Arrivals | (Quintal) | Change | | | |
| Centre | Variety | 30-Dec-17 | 29-Dec-17 | Change | | | |
| Bhatinda | J-34 | 8500 | 8500 | Unch | | | |
| Abohar | J-34 | 1020 | 850 | 170 | | | |
| | Centre Ahmedabad Gondal Rajkot Patan Kadi Deesa Dhrol Fazilika Muktsar Bhiwani Bhiwani Adampur Fatehabad Jind Uchana Dabwali Hanumangarh Rawatsar Khandwa Khargaon Amravati Jamner Hathras Hathras Adilabad Guntur Kurnool Krishna East Godavari Bijapur Hubli Hubli Raichur | CentreVarietyAhmedabadShankar-6GondalShankar-6RajkotB.T. CottonPatanB.T. CottonKadiB.T. CottonDeesaB.T. CottonDhrolB.T. CottonFazilikaB.T. CottonMuktsarB.T. CottonBhiwaniDesiAdampurB.T. CottonFatehabadB.T. CottonJindB.T. CottonUchanaB.T. CottonDabwaliB.T. CottonHanumangarhB.T. CottonKhandwaMech-1KhargaonMech-1AmravatiMech-1JamnerMedium StapleHathrasB.T. CottonHathrasDesiAdilabadUn-GinnedKurnoolUn-GinnedKurnoolUn-GinnedKirishnaUn-GinnedEast GodavariUn-GinnedBijapurBunnyHubliD.C.H.HubliB.T. CottonRaichurH-44 CottonLintCentreVarietyBhatindaJ-34 | Centre Variety 30-Dec-17 Ahmedabad Shankar-6 59500 Gondal Shankar-6 739 Rajkot B.T. Cotton 5000 Patan B.T. Cotton 19791 Kadi B.T. Cotton 50000 Deesa B.T. Cotton 300 Dhrol B.T. Cotton NR Muktsar B.T. Cotton NR Bhiwani B.T. Cotton 1500 Bhiwani Desi NA Adampur B.T. Cotton 2500 Fatehabad B.T. Cotton 2500 Fatehabad B.T. Cotton 1275 Uchana B.T. Cotton 1275 Uchana B.T. Cotton 450 Hanumangarh B.T. Cotton 2500 Rawatsar B.T. Cotton 1500 Khandwa Mech-1 Closed Khargaon Mech-1 Closed Khargaon Mech-1 NA Hathras B.T. Cotton NA </td <td>Centre Variety 30-Dec-17 29-Dec-17 Ahmedabad Shankar-6 59500 68000 Gondal Shankar-6 739 NR Rajkot B.T. Cotton 5000 5200 Patan B.T. Cotton 19791 16794 Kadi B.T. Cotton 50000 45000 Deesa B.T. Cotton 300 400 Dhrol B.T. Cotton 300 400 Dhrol B.T. Cotton 375 379 Fazilika B.T. Cotton NR NR Muktsar B.T. Cotton NR NR Muktsar B.T. Cotton 1500 2500 Bhiwani B.T. Cotton 1500 2500 Bhiwani Desi NA 15 Adampur B.T. Cotton 2500 3000 Fatehabad B.T. Cotton 1275 595 Uchana B.T. Cotton 1150 1120 Dabwali B.T. Cotton 450</td> | Centre Variety 30-Dec-17 29-Dec-17 Ahmedabad Shankar-6 59500 68000 Gondal Shankar-6 739 NR Rajkot B.T. Cotton 5000 5200 Patan B.T. Cotton 19791 16794 Kadi B.T. Cotton 50000 45000 Deesa B.T. Cotton 300 400 Dhrol B.T. Cotton 300 400 Dhrol B.T. Cotton 375 379 Fazilika B.T. Cotton NR NR Muktsar B.T. Cotton NR NR Muktsar B.T. Cotton 1500 2500 Bhiwani B.T. Cotton 1500 2500 Bhiwani Desi NA 15 Adampur B.T. Cotton 2500 3000 Fatehabad B.T. Cotton 1275 595 Uchana B.T. Cotton 1150 1120 Dabwali B.T. Cotton 450 | | | |



| | Mansa | J-34 | 510 | 425 | 85 |
|-----------|----------------|------|-----|-----|------|
| Haryana | Sirsa | J-34 | 510 | 510 | Unch |
| Rajasthan | Sri-Ganganagar | J-34 | 500 | 500 | Unch |

| Cotton Association of India Spot Rates: | | | | | | | |
|---|------------|-------------|-----------|---------------|---------------|--------|--|
| Trade Name | Stonlo | Micronaire | Strength/ | Rs. Per Candy | Rs. Per Candy | Change | |
| Trade Name | Staple | Wilcronaire | GPT | 29-Dec-17 | 28-Dec-17 | Change | |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0 | 15 | 41400 | 41800 | -400 | |
| Bengal Deshi (SG)(201) | Below 22mm | 5.0 - 7.0 | 15 | 42200 | 42500 | -300 | |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 40000 | 40200 | -200 | |
| H-4/ MECH-1(105) | 28mm | 3.5 – 4.9 | 27 | 39500 | 39500 | Unch | |
| Shankar-6(105) | 29mm | 3.5 – 4.9 | 28 | 41100 | 41200 | -100 | |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 42300 | 42500 | -200 | |
| MCU-5/ Surabhi(106) | 32mm | 3.3 - 4.9 | 31 | 44200 | 44400 | -200 | |
| DCH-32(107) | 34mm | 3.0 - 3.8 | 33 | 56500 | 56700 | -200 | |

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

| Centre | Unit | Price | | Chango |
|-----------|-------------|-----------|-----------|--------|
| Centre | Onit | 30-Dec-17 | 29-Dec-17 | Change |
| Rajkot | Rs. /10 Kg. | 675 | 672 | 3 |
| New Delhi | Rs. /10 Kg. | 660 | 665 | -5 |
| Hyderabad | Rs. /10 Kg. | NA | NA | - |
| Mumbai | Rs. /10 Kg. | 695 | 695 | Unch |

Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

| Contro | l lmi4 | Pri | ice | Change |
|-----------------|---------|-----------|-----------|--------|
| Centre | Unit | 30-Dec-17 | 29-Dec-17 | Change |
| Mahesana (Kadi) | Rs./Qtl | 1832 | 1842 | -10 |
| Akola | Rs./Qtl | 1864 | 1866 | -2 |

INTERNATIONAL PRICES AND INDICES

| China Cotton Index: As on 29-December-2017 | | | | |
|--|---------|--------|--|--|
| Index | RMB/Ton | Change | | |
| CCIndex(328) | 15699 | -6 | | |





| CCIndex(527) | 14663 | -20 |
|----------------------------------|-------|-----|
| CCIndex(229) | 16223 | -12 |
| RMB -Renminbi, 1RMB =0.16 \$U.S. | | |

| China Foreign Cotton (FCE) Index : As on 29-December-2017 | | | | |
|---|----------|--------|--|--|
| Index | Cents/lb | Change | | |
| FC Index (S) | 92.37 | -0.10 | | |
| FC Index (M) | 88.65 | -0.13 | | |
| FC Index (L) | 86.70 | -0.14 | | |

| Cotlook Index: As on 29th-December-2017 | | | |
|---|-------------|--------|--|
| Cotlook Indices | Cents/Pound | Change | |
| A-Index | 89.60 | Unch | |

| USDA Cotton Spot Rates: As on 29th-December-2017 | | | | | | | |
|--|---------------------|---------------------|----------|--|--|--|--|
| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals | | | | |
| | cer | Bales | | | | | |
| Southeast | 79.63 | 82.38 | NIL | | | | |
| North Delta | 77.88 | 79.63 | NIL | | | | |
| South Delta | 77.88 | 79.63 | NIL | | | | |
| East TX-OK | 75.75 | 77.50 | 10177 | | | | |
| West Texas | 74.25 | 76.25 | 9140 | | | | |
| Desert SW | 73.63 | 77.63 | NIL | | | | |
| SJ Valley | 74.63 | 83.53 | 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 29th-December-2017 | | | | | | |
|---|-------|-------|-------|-------|--------|--|
| Contract | Open | High | Low | Close | Change | |
| Mar-18 | 78.75 | 78.93 | 78.22 | 78.63 | -0.17 | |
| May-18 | 78.69 | 79.16 | 78.25 | 78.96 | 0.08 | |
| Jul-18 | 79.01 | 79.35 | 78.38 | 79.24 | 0.19 | |
| Oct-18 | 75.46 | 75.46 | 75.46 | 75.46 | 0.18 | |
| Dec-18 | 74.08 | 74.69 | 73.59 | 74.51 | 0.26 | |
| Mar-19 | 73.19 | 74.00 | 73.19 | 73.87 | 0.21 | |



| Pakistan Cotton Spot rates: As on 29th-December-2017 | | | (in Pakistan Rupees) | | |
|--|-----------|--------------|----------------------|-------------------|--|
| Product | Rate for | Ex-Gin Price | Up Country Sales | Spot Rate Karachi | |
| Cotton | 37.32 Kgs | 7100 | 145 | 7245 | |
| Equivalent | 40 Kgs | 7609 | 155 | 7764 | |

Disclaimer

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