

Domestic Fundamentals:

Market Outlook: Cotton spot market prices are reported range bound on Tuesday.

In The News: The projected balance sheet drawn by the Cotton Association of India(CAI) estimated total cotton supply for the season at 425 lakh bales of 170 kgs each, including the opening stock of 30 lakh bales at the beginning of the season and the imports which the CAI estimates at 20 lakh bales for 2017-18 crop year. The domestic consumption is estimated to be 320 lakh bales while CAI estimates exports for the season to be 55 lakh bales.

In Andhra Pradesh cotton crop was damaged Up to 25 percent due to rain and Pink bollworm attack. Before this, state cotton traders were expected production for this year was 25 to 30 lakh bales.

Cotton prices have moved up in the country, the parity to import the fibre crop has increased. As a result, the trade body sees an increase in imports and has revised the import figures from 17 lakh bales to 20 lakh bales this season.

Market arrivals of cotton in the first three months of the 2017-18 marketing season starting October are higher by around 43 per cent over corresponding last year. Arrivals would have crossed 148 lakh bales by December 31 this year as against 108 lakh bales, based on the data gathered from each State.

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.

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.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	-0.5	996.5	999	983	993.50	8437	1310	9493	-882

Spread	Cont (C1)		
	75		
Spot		-	-
	-	-	-

Updated at 05:00 pm as on 02-Jan-2018

MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-17	-50	20100	20430	20040	20090	293	-353	1240	-192
Jan-18	30	20140	20200	20050	20200.	1525	-966	8918	466

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

(NB: Spread Basis = Spot- Near Month Future)

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	2-Jan-18	30-Dec-17	
Gujarat	Ahmedabad	Shankar-6	5350	5400	-50
	Gondal	Shankar-6	5285	5335	-50
	Rajkot	B.T. Cotton	5390	5370	20
	Patan	B.T. Cotton	5300	5300	Unch
	Kadi	B.T. Cotton	5450	5450	Unch
	Deesa	B.T. Cotton	Closed	5100	-
	Dhrol	B.T. Cotton	NR	5305	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5700	5525	175
	Bhiwani	Desi	6500	6200	300
	Adampur	B.T. Cotton	5370	5400	-30
	Fatehabad	B.T. Cotton	5380	5450	-70
	Jind	B.T. Cotton	5500	5590	-90
	Uchana	B.T. Cotton	5457	5537	-80
	Dabwali	B.T. Cotton	5235	5250	-15
Rajasthan	Hanumangarh	B.T. Cotton	NR	5400	-
	Rawatsar	B.T. Cotton	5200	5370	-170
Madhya Pradesh	Khandwa	Mech-1	NR	Closed	-
	Khargaon	Mech-1	5330	Closed	-
Maharashtra	Amravati	Mech-1	5000	5150	-150
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5600	5600	Unch
	Hathras	Desi	4500	4500	Unch
Telangana	Adilabad	Un-Ginned	4980	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	5389	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4230	90
Karnataka	Bijapur	Bunny	5800	5839	-39
	Hubli	D.C.H.	5551	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5400	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	2-Jan-18	30-Dec-17	
Punjab	Bhatinda	J-34	4255	4275	-20
	Abohar	J-34	4270	4275	-5
	Mansa	J-34	4230	4225	5
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4240	4250	-10
Rajasthan	Sri-Ganganagar	J-34	3995	3995	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	2-Jan-18	30-Dec-17	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	3195	739	2456
	Rajkot	B.T. Cotton	4600	5000	-400
	Patan	B.T. Cotton	11128	19791	-8663
	Kadi	B.T. Cotton	45000	50000	-5000
	Deesa	B.T. Cotton	Closed	300	-
	Dhrol	B.T. Cotton	NR	375	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	600	1500	-900
	Bhiwani	Desi	10	NA	-
	Adampur	B.T. Cotton	2000	2500	-500
	Fatehabad	B.T. Cotton	400	500	-100
	Jind	B.T. Cotton	213	1275	-1063
	Uchana	B.T. Cotton	1110	1150	-40
	Dabwali	B.T. Cotton	325	450	-125
Rajasthan	Hanumangarh	B.T. Cotton	NR	2500	-
	Rawatsar	B.T. Cotton	500	1500	-1000
Madhya Pradesh	Khandwa	Mech-1	NR	Closed	-
	Khargaon	Mech-1	6980	Closed	-
Maharashtra	Amravati	Mech-1	15000	10000	5000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	388	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1690	2400	-710
	Hubli	D.C.H.	20	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1170	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	2-Jan-18	30-Dec-17	
Punjab	Bhatinda	J-34	5950	8500	-2550

	Abohar	J-34	680	1020	-340
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	340	510	-170
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				1-Jan-18	30-Dec-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41800	41400	400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42600	42200	400
J-34(202)	26mm	3.5 - 4.9	23	39800	40000	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39400	39500	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	40800	41100	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42000	42300	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43900	44200	-300
DCH-32(107)	34mm	3.0 - 3.8	33	56500	56500	Unch

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

Centre	Unit	Price		Change
		2-Jan-18	30-Dec-17	
Rajkot	Rs. /10 Kg.	675	675	Unch
New Delhi	Rs. /10 Kg.	665	660	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:

Centre	Unit	Price		Change
		2-Jan-18	30-Dec-17	
Mahesana (Kadi)	Rs./Qtl	1797	1832	-35
Akola	Rs./Qtl	1815	1864	-49

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 02-January-2018

Index	RMB/Ton	Change
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CCIndex(328)	15698	-1
CCIndex(527)	14662	-1
CCIndex(229)	16217	-6
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 02-January-2018

Index	Cents/lb	Change
FC Index (S)	92.48	0.11
FC Index (M)	88.77	0.12
FC Index (L)	87.45	0.75

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
	cents/lb.		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 01st-January-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7500	145	7645
Equivalent	40 Kgs	8038	155	8193

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