

Domestic Fundamentals:

Market Outlook: Cotton spot market prices reported weak market.

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)	-2	979	992	975	980.00	6361	-2076	9872	379

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

Updated at 05:00 pm as on 03-Jan-2018

MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-18	-50	20100	20430	20040	20090	293	-1232	1240	-7678
Feb-18	-70	20180	20270	20100	20210	472	-338	1949	62

Spread	DEC-17	Jan-18	-	-	--	--
Spot				-	-	-
Jan-18	160			-	-	-

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

DOMESTIC PRICES AND ARRIVALS
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Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	3-Jan-18	2-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5350	5350	Unch
	Gondal	Shankar-6	5285	5285	Unch
	Rajkot	B.T. Cotton	5325	5390	-65
	Patan	B.T. Cotton	5270	5300	-30
	Kadi	B.T. Cotton	5400	5450	-50
	Deesa	B.T. Cotton	NA	Closed	-
	Dhrol	B.T. Cotton	NR	5240	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5600	5700	-100
	Bhiwani	Desi	6300	6500	-200
	Adampur	B.T. Cotton	5320	5370	-50
	Fatehabad	B.T. Cotton	5350	5380	-30
	Jind	B.T. Cotton	5500	5500	Unch
	Uchana	B.T. Cotton	NR	5457	-
	Dabwali	B.T. Cotton	5230	5235	-5
Rajasthan	Hanumangarh	B.T. Cotton	5350	NR	-
	Rawatsar	B.T. Cotton	5300	5200	100
Madhya Pradesh	Khandwa	Mech-1	5000	5000	Unch
	Khargaon	Mech-1	NR	5330	-
Maharashtra	Amravati	Mech-1	5000	5000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	5600	-
	Hathras	Desi	NR	4500	-
Telangana	Adilabad	Un-Ginned	4930	4980	-50
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	5089	5389	-300
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	NA	5800	-
	Hubli	D.C.H.	NA	5551	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	3-Jan-18	2-Jan-18	
Punjab	Bhatinda	J-34	4240	4255	-15
	Abohar	J-34	4240	4270	-30
	Mansa	J-34	4210	4230	-20

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4220	4240	-20
Rajasthan	Sri-Ganganagar	J-34	3995	3995	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	3-Jan-18	2-Jan-18	
Gujarat	Ahmedabad	Shankar-6	64600	59500	5100
	Gondal	Shankar-6	3678	3195	483
	Rajkot	B.T. Cotton	5600	4600	1000
	Patan	B.T. Cotton	15378	11128	4250
	Kadi	B.T. Cotton	40000	45000	-5000
	Deesa	B.T. Cotton	NA	Closed	-
	Dhrol	B.T. Cotton	NR	352	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1000	600	400
	Bhiwani	Desi	10	10	Unch
	Adampur	B.T. Cotton	2500	2000	500
	Fatehabad	B.T. Cotton	400	400	Unch
	Jind	B.T. Cotton	391	213	179
	Uchana	B.T. Cotton	NR	1110	-
	Dabwali	B.T. Cotton	500	325	175
Rajasthan	Hanumangarh	B.T. Cotton	1500	NR	-
	Rawatsar	B.T. Cotton	1000	500	500
Madhya Pradesh	Khandwa	Mech-1	1400	700	700
	Khargaon	Mech-1	NR	6980	-
Maharashtra	Amravati	Mech-1	10000	15000	-5000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NA	-
	Hathras	Desi	NR	NA	-
Telangana	Adilabad	Un-Ginned	16588	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	311	388	-77
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	1690	-
	Hubli	D.C.H.	NA	20	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	3-Jan-18	2-Jan-18	

Punjab	Bhatinda	J-34	5100	5950	-850
	Abohar	J-34	850	680	170
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	340	340	Unch
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
				2-Jan-18	1-Jan-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41800	41800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42600	42600	Unch
J-34(202)	26mm	3.5 - 4.9	23	39600	39800	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39100	39400	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	40500	40800	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42000	42000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43900	43900	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	57000	56500	500

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

Centre	Unit	Price		Change
		3-Jan-18	2-Jan-18	
Rajkot	Rs. /10 Kg.	675	675	Unch
New Delhi	Rs. /10 Kg.	665	665	Unch
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
		3-Jan-18	2-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1797	1797	Unch
Akola	Rs./Qtl	1813	1815	-2

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 03-January-2018

Index	RMB/Ton	Change
CCIndex(328)	15689	-9
CCIndex(527)	14658	-4
CCIndex(229)	16209	-8
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 03-January-2018

Index	Cents/lb	Change
FC Index (S)	91.48	-1.00
FC Index (M)	87.88	-0.89
FC Index (L)	86.30	-1.15

Cotlook Index: As on 02nd-January-2018

Cotlook Indices	Cents/Pound	Change
A-Index	89.35	-0.25

USDA Cotton Spot Rates: As on 02nd-January-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.50	81.25	NIL
North Delta	76.75	78.50	NIL
South Delta	76.75	78.50	NIL
East TX-OK	75.00	76.75	5292
West Texas	73.50	75.50	2834
Desert SW	72.50	76.50	NIL
SJ Valley	73.50	82.40	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 02nd-January-2018

Contract	Open	High	Low	Close	Change
Mar-18	78.64	79.29	77.30	77.50	-1.13
May-18	78.92	79.40	77.60	77.77	-1.19
Jul-18	79.19	79.52	77.95	78.14	-1.10
Oct-18	74.77	74.77	74.77	74.77	-0.69
Dec-18	74.45	74.69	73.75	74.13	-0.38
Mar-19	73.90	74.24	73.68	74.22	0.35

Pakistan Cotton Spot rates: As on 02nd-January-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7600	145	7745
Equivalent	40 Kgs	8145	155	8300

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