

### 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.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	1	988	994	986	989	3814	-2547	9392	-480

  

Spread	Cont (C1)		
	65		
Spot		-	-
	-	-	-

  

Updated at 05:00 pm as on 04-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**
**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	4-Jan-18	3-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5350	5350	Unch
	Gondal	Shankar-6	5300	5285	15
	Rajkot	B.T. Cotton	5350	5325	25
	Patan	B.T. Cotton	5350	5270	80
	Kadi	B.T. Cotton	5500	5400	100
	Deesa	B.T. Cotton	5060	NA	-
	Dhrol	B.T. Cotton	NR	5235	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5500	5600	-100
	Bhiwani	Desi	6300	6300	Unch
	Adampur	B.T. Cotton	5350	5320	30
	Fatehabad	B.T. Cotton	5385	5350	35
	Jind	B.T. Cotton	5500	5500	Unch
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	5275	5230	45
Rajasthan	Hanumangarh	B.T. Cotton	5500	5350	150
	Rawatsar	B.T. Cotton	5320	5300	20
Madhya Pradesh	Khandwa	Mech-1	5300	5000	300
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5600	NR	-
	Hathras	Desi	4500	NR	-
Telangana	Adilabad	Un-Ginned	4910	4930	-20
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	5089	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	4-Jan-18	3-Jan-18	
Punjab	Bhatinda	J-34	4250	4240	10
	Abohar	J-34	4260	4240	20
	Mansa	J-34	4220	4210	10

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4230	4220	<b>10</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	3995	3995	<b>Unch</b>

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	4-Jan-18	3-Jan-18	
Gujarat	Ahmedabad	Shankar-6	57800	64600	-6800
	Gondal	Shankar-6	2664	3678	-1014
	Rajkot	B.T. Cotton	6400	5600	800
	Patan	B.T. Cotton	16595	15378	1217
	Kadi	B.T. Cotton	40000	40000	Unch
	Deesa	B.T. Cotton	625	NA	-
	Dhrol	B.T. Cotton	NR	307	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1000	1000	Unch
	Bhiwani	Desi	20	10	10
	Adampur	B.T. Cotton	2000	2500	-500
	Fatehabad	B.T. Cotton	600	400	200
	Jind	B.T. Cotton	255	391	-136
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	550	500	50
Rajasthan	Hanumangarh	B.T. Cotton	2500	1500	1000
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	600	1400	-800
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	6000	10000	-4000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NR	-
	Hathras	Desi	NA	NR	-
Telangana	Adilabad	Un-Ginned	14845	16588	-1743
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	311	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	4-Jan-18	3-Jan-18	

<b>Punjab</b>	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	850	850	Unch
	Mansa	J-34	425	340	85
<b>Haryana</b>	Sirsa	J-34	510	340	170
<b>Rajasthan</b>	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
				3-Jan-18	2-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	39500	39600	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39000	39100	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	40400	40500	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41900	42000	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43900	43900	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	57000	57000	Unch

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

Centre	Unit	Price		Change
		4-Jan-18	3-Jan-18	
Rajkot	Rs. /10 Kg.	675	675	Unch
New Delhi	Rs. /10 Kg.	680	665	15
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
		4-Jan-18	3-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1823	1797	26
Akola	Rs./Qtl	1821	1813	8

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 04-January-2018**

Index	RMB/Ton	Change
CCIndex(328)	15680	-9

CCIndex(527)	14651	-7
CCIndex(229)	16201	-8
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 04-January-2018**

Index	Cents/lb	Change
FC Index (S)	91.74	0.26
FC Index (M)	88.09	0.21
FC Index (L)	86.50	0.20

**Cotlook Index: As on 03rd-January-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	88.30	-1.05

**USDA Cotton Spot Rates: As on 03rd-January-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.86	81.61	1104
North Delta	77.36	79.11	NIL
South Delta	77.36	79.11	NIL
East TX-OK	75.25	77.00	6340
West Texas	73.75	75.75	6824
Desert SW	73.11	77.11	89
SJ Valley	74.11	83.01	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 03rd-January-2018**

Contract	Open	High	Low	Close	Change
Mar-18	77.51	78.29	77.37	78.11	0.61
May-18	77.82	78.50	77.61	78.26	0.49
Jul-18	78.22	78.89	78.01	78.68	0.54
Oct-18	75.09	75.09	75.09	75.09	0.32
Dec-18	74.00	74.48	73.94	74.39	0.26
Mar-19	74.40	74.59	74.32	74.53	0.31

<b>Pakistan Cotton Spot rates: As on 03rd-January-2018</b>				<b>(in Pakistan Rupees)</b>
<b>Product</b>	<b>Rate for</b>	<b>Ex-Gin Price</b>	<b>Up Country Sales</b>	<b>Spot Rate Karachi</b>
<b>Cotton</b>	<b>37.32 Kgs</b>	7800	145	7945
<b>Equivalent</b>	<b>40 Kgs</b>	8359	155	8514

### Disclaimer

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