

### Domestic Fundamentals:

**Market Outlook:** Cotton spot market prices reported mixed tone on Friday.

**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.

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 bollworm 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)	10	990	998	986	996	3975	161	8606	-786

  

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

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

  

MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-18	110	20320	20420	20280	20390	1604	1311	8463	7223
Feb-18	130	20520	20610	20490	20590	815	343	2595	646

  

Spread	DEC-17	Jan-18	-	-	--	--
Spot				-	-	-
Jan-18	-190			-	-	-

(NB: Spread Basis = Spot- Near Month Future)  
 \* Updated at 05:00 pm as on 05-Jan-2018

**DOMESTIC PRICES AND ARRIVALS**
**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	5-Jan-18	4-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5350	5350	Unch
	Gondal	Shankar-6	5360	5300	60
	Rajkot	B.T. Cotton	5365	5350	15
	Patan	B.T. Cotton	5350	5350	Unch
	Kadi	B.T. Cotton	5450	5500	-50
	Deesa	B.T. Cotton	5075	5060	15
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5550	5500	50
	Bhiwani	Desi	6325	6300	25
	Adampur	B.T. Cotton	5420	5350	70
	Fatehabad	B.T. Cotton	5470	5385	85
	Jind	B.T. Cotton	5630	5500	130
	Uchana	B.T. Cotton	5520	NR	-
	Dabwali	B.T. Cotton	5355	5275	80
Rajasthan	Hanumangarh	B.T. Cotton	5500	5500	Unch
	Rawatsar	B.T. Cotton	5500	5320	180
Madhya Pradesh	Khandwa	Mech-1	5300	5300	Unch
	Khargaon	Mech-1	NR	NR	-
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	4970	4910	60
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	NA	-
	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	5-Jan-18	4-Jan-18	
Punjab	Bhatinda	J-34	4295	4250	45
	Abohar	J-34	4300	4260	40
	Mansa	J-34	4270	4220	50
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4280	4230	<b>50</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	4042	3995	<b>47</b>

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Jan-18	4-Jan-18	
<b>Gujarat</b>	Ahmedabad	Shankar-6	59500	57800	<b>1700</b>
	Gondal	Shankar-6	3405	2664	<b>741</b>
	Rajkot	B.T. Cotton	6000	6400	<b>-400</b>
	Patan	B.T. Cotton	15742	16595	<b>-853</b>
	Kadi	B.T. Cotton	60000	40000	<b>20000</b>
	Deesa	B.T. Cotton	650	625	<b>25</b>
	Dhrol	B.T. Cotton	NR	NR	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	2000	1000	<b>1000</b>
	Bhiwani	Desi	20	20	<b>Unch</b>
	Adampur	B.T. Cotton	1500	2000	<b>-500</b>
	Fatehabad	B.T. Cotton	500	600	<b>-100</b>
	Jind	B.T. Cotton	349	255	<b>94</b>
	Uchana	B.T. Cotton	1000	NR	-
	Dabwali	B.T. Cotton	425	550	<b>-125</b>
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	3000	2500	<b>500</b>
	Rawatsar	B.T. Cotton	1000	1000	<b>Unch</b>
<b>Madhya Pradesh</b>	Khandwa	Mech-1	600	600	<b>Unch</b>
	Khargaon	Mech-1	NR	NR	-
<b>Maharashtra</b>	Amravati	Mech-1	13000	6000	<b>7000</b>
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NR	NA	-
	Hathras	Desi	NR	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	12917	14845	<b>-1928</b>
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	60	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	5-Jan-18	4-Jan-18	
<b>Punjab</b>	Bhatinda	J-34	5100	5100	<b>Unch</b>

	Abohar	J-34	850	850	Unch
	Mansa	J-34	255	425	-170
<b>Haryana</b>	Sirsa	J-34	850	510	340
<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
				4-Jan-18	3-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	31000	39500	-8500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39100	39000	100
Shankar-6(105)	29mm	3.5 - 4.9	28	40600	40400	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42100	41900	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44100	43900	200
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
		5-Jan-18	4-Jan-18	
Rajkot	Rs. /10 Kg.	680	675	5
New Delhi	Rs. /10 Kg.	680	680	Unch
Hyderabad	Rs. /10 Kg.	NA	NA	-
Mumbai	Rs. /10 Kg.	700	695	5

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

Centre	Unit	Price		Change
		5-Jan-18	4-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1808	1823	-15
Akola	Rs./Qtl	1814	1821	-7

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 05-January-2018**

Index	RMB/Ton	Change
CCIndex(328)	15665	-15
CCIndex(527)	14645	-6

CCIndex(229)	16190	-11
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 05-January-2018**

Index	Cents/lb	Change
FC Index (S)	15665	-15
FC Index (M)	14645	-6
FC Index (L)	16190	-11

**Cotlook Index: As on 04th-January-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	88.80	0.50

**USDA Cotton Spot Rates: As on 04th-January-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	80.00	82.75	1358
North Delta	78.50	80.25	NIL
South Delta	78.50	80.25	NIL
East TX-OK	76.00	77.75	11332
West Texas	74.50	76.50	20554
Desert SW	74.25	78.25	NIL
SJ Valley	75.25	84.15	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 04th-January-2018**

Contract	Open	High	Low	Close	Change
Mar-18	78.11	79.39	78.06	79.25	1.14
May-18	78.16	79.40	78.16	79.33	1.07
Jul-18	78.60	79.77	78.60	79.69	1.01
Oct-18	75.83	75.83	75.83	75.83	0.74
Dec-18	74.25	74.84	74.25	74.74	0.35
Mar-19	74.53	75.00	74.53	74.93	0.40

<b>Pakistan Cotton Spot rates: As on 04th-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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