

**Domestic Fundamentals:**

**Market Outlook:** Cotton spot market prices were reported weak tone on Monday.

**In The News:** Maharashtra state government will seek financial assistance of Rs 2,430 crores from central government under the National Disaster Response Fund (NDRF) to compensate farmers who are hit by the pest attack cotton and paddy crops and loss of horticulture due to Ockhi Cyclone. Experts estimate the losses to be more than Rs 15,000 crore across the state, with the majority of losses being incurred in Marathwada and Vidarbha regions.

An unexpected rise in the domestic prices coupled with strong rupee poses a major threat to Indian exports, with deals worth at least 500,000 bales under threat of being cancelled over the next couple of months. According to section of traders, renegotiation of pricing is underway for deals of around 1 mln bales and half of it may get cancelled unless settled mutually. On MCX of India, cotton prices have risen over 12 % in the last six-seven weeks, bringing exports to virtual halt this month.

Major importers of cotton Indian cotton are Bangladesh, Vietnam, China and Turkey. Of the 2.2 mln bales of export deals signed so far, Pakistan accounts for around 400,000 bales and it will be shipped to the neighbouring country upon opening permits from Monday,

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.

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 filed, after last picking allow goats, sheep and other animals to graze on unopened bolls and plant debris in the cotton fields.

### International Fundamentals:

International cotton prices have continued to move upward over the last few months as the season has underway. From the season low of 77 cents per pound at start of season, prices are at a season high at the end of this calendar year up to 88 cents per pound. The current season average of 80 cents per pound is lower than the 2016-17 average of 83 cents per pound.

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. 10 countries 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).

#### **NCDEX Kapas Futures\*: (Prices in Rs/20kg)**

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Cont. (C1)</b>	-7.5	985.5	985.5	975.5	978	4548	-1385	8373	-256

Spread	Cont (C1)		
<b>Spot</b>	84.5	-	-
	-	-	-

Updated at 05:00 pm as on 08-Jan-2018

#### **MCX Cotton Futures\*: (Prices in Rs/170 kgs)**

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Jan-18</b>	-10	20210	20330	20210	20230	1240	-2099	8571	95
<b>Feb-18</b>	-20	20450	20530	20410	20430	654	-788	2890	260

Spread	DEC-17	Jan-18	-	-	--	--
<b>Spot</b>				-	-	-
<b>Jan-18</b>	-200			-	-	-

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

\* Updated at 05:00 pm as on 08-Jan 2018

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	8-Jan-18	6-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5350	5350	Unch
	Gondal	Shankar-6	5265	5335	-70
	Rajkot	B.T. Cotton	5300	5350	-50
	Patan	B.T. Cotton	5305	5365	-60
	Kadi	B.T. Cotton	5400	5450	-50
	Deesa	B.T. Cotton	5075	NR	-
	Dhrol	B.T. Cotton	NR	5300	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5650	5550	100
	Bhiwani	Desi	6500	6300	200
	Adampur	B.T. Cotton	5400	5400	Unch
	Fatehabad	B.T. Cotton	5450	5450	Unch
	Jind	B.T. Cotton	5500	5600	-100
	Uchana	B.T. Cotton	5450	5515	-65
	Dabwali	B.T. Cotton	5275	5315	-40
Rajasthan	Hanumangarh	B.T. Cotton	5400	5470	-70
	Rawatsar	B.T. Cotton	5350	5350	Unch
Madhya Pradesh	Khandwa	Mech-1	5150	Closed	-
	Khargaon	Mech-1	NR	Closed	-
Maharashtra	Amravati	Mech-1	5100	5000	100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	5600	-
	Hathras	Desi	NA	4500	-
Telangana	Adilabad	Un-Ginned	4900	4940	-40
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	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5325	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	8-Jan-18	6-Jan-18	
Punjab	Bhatinda	J-34	4285	4280	5
	Abohar	J-34	4290	4280	10
	Mansa	J-34	4265	4250	15

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4270	4260	10
<b>Rajasthan</b>	Sri-Ganganagar	J-34	4066	4089	-24

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	8-Jan-18	6-Jan-18	
<b>Gujarat</b>	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	4015	4342	-327
	Rajkot	B.T. Cotton	5800	5800	Unch
	Patan	B.T. Cotton	11592	17093	-5501
	Kadi	B.T. Cotton	55000	50000	5000
	Deesa	B.T. Cotton	700	NR	-
	Dhrol	B.T. Cotton	NR	288	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	1000	2000	-1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2500	1000	1500
	Fatehabad	B.T. Cotton	600	900	-300
	Jind	B.T. Cotton	425	340	85
	Uchana	B.T. Cotton	1025	1065	-40
	Dabwali	B.T. Cotton	750	550	200
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	3000	3000	Unch
	Rawatsar	B.T. Cotton	1000	1000	Unch
<b>Madhya Pradesh</b>	Khandwa	Mech-1	600	Closed	-
	Khargaon	Mech-1	NR	Closed	-
<b>Maharashtra</b>	Amravati	Mech-1	15000	12000	3000
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	NA	11432	-
<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	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1130	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	8-Jan-18	6-Jan-18	

<b>Punjab</b>	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	1020	850	170
	Mansa	J-34	510	255	255
<b>Haryana</b>	Sirsa	J-34	850	850	Unch
<b>Rajasthan</b>	Sri-Ganganagar	J-34	300	500	-200

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				6-Jan-18	5-Jan-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42000	42000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42800	42800	Unch
J-34(202)	26mm	3.5 - 4.9	23	39900	40000	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39200	39300	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	40800	40900	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42300	42400	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44300	44300	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
		8-Jan-18	6-Jan-18	
Rajkot	Rs. /10 Kg.	673	678	-5
New Delhi	Rs. /10 Kg.	680	680	Unch
Hyderabad	Rs. /10 Kg.	NA	NA	-
Mumbai	Rs. /10 Kg.	700	700	Unch

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

Centre	Unit	Price		Change
		8-Jan-18	6-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1754	1801	-47
Akola	Rs./Qtl	1798	1814	-16

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 08-January-2018**

Index	RMB/Ton	Change
CCIndex(328)	15666	1
CCIndex(527)	14645	Unch
CCIndex(229)	16195	5
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 08-January-2018**

Index	Cents/lb	Change
FC Index (S)	91.35	-0.39
FC Index (M)	87.77	-0.32
FC Index (L)	85.70	-0.80

**Cotlook Index: As on 05th-January-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	89.90	1.10

**USDA Cotton Spot Rates: As on 05th-January-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.76	81.51	8
North Delta	77.26	79.01	NIL
South Delta	77.26	79.01	NIL
East TX-OK	75.25	77.00	3610
West Texas	73.75	75.75	7123
Desert SW	73.01	77.01	NIL
SJ Valley	74.01	82.91	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 05th-January-2018**

Contract	Open	High	Low	Close	Change
Mar-18	79.15	80.05	77.81	78.01	-1.24
May-18	79.24	79.95	78.04	78.25	-1.08
Jul-18	79.65	80.09	78.49	78.68	-1.01
Oct-18	75.14	75.14	75.14	75.14	-0.69
Dec-18	74.50	74.85	74.12	74.36	-0.38
Mar-19	74.57	74.59	74.30	74.52	-0.41

<b>Pakistan Cotton Spot rates: As on 06th-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

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