

### Domestic Fundamentals:

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

**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	966	974	963.5	972	3671	-2262	8023	-606

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

Updated at 05:00 pm as on 09-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Jan-18</b>	-20	20180	20250	20030	20140	1871	-1468	8162	-314
<b>Feb-18</b>	0	20360	20430	20230	20350	921	-521	2932	302

Spread	DEC-17	Jan-18	-	-	--	--
Spot				-	-	-
Jan-18	-180			-	-	-

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

\* Updated at 05:00 pm as on 09-Jan 2018

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	9-Jan-18	8-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5250	5350	-100
	Gondal	Shankar-6	NR	5265	-
	Rajkot	B.T. Cotton	5275	5300	-25
	Patan	B.T. Cotton	5290	5305	-15
	Kadi	B.T. Cotton	5350	5400	-50
	Deesa	B.T. Cotton	5050	5075	-25
	Dhrol	B.T. Cotton	5300	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5625	5650	-25
	Bhiwani	Desi	6500	6500	Unch
	Adampur	B.T. Cotton	5380	5400	-20
	Fatehabad	B.T. Cotton	5450	5450	Unch
	Jind	B.T. Cotton	5640	5500	140
	Uchana	B.T. Cotton	5470	5450	20
	Dabwali	B.T. Cotton	5255	5275	-20
Rajasthan	Hanumangarh	B.T. Cotton	5400	5400	Unch
	Rawatsar	B.T. Cotton	5300	5350	-50
Madhya Pradesh	Khandwa	Mech-1	5100	5150	-50
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5100	-100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4900	4900	Unch
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.	5730	NA	-
	Hubli	B.T. Cotton	6919	NA	-
	Raichur	H-44 Cotton	NA	5300	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Jan-18	8-Jan-18	
Punjab	Bhatinda	J-34	4275	4285	-10
	Abohar	J-34	4275	4290	-15
	Mansa	J-34	4255	4265	-10
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4260	4270	-10
Rajasthan	Sri-Ganganagar	J-34	4056	4066	-9

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Jan-18	8-Jan-18	
Gujarat	Ahmedabad	Shankar-6	68000	59500	8500
	Gondal	Shankar-6	NR	4015	-
	Rajkot	B.T. Cotton	6400	5800	600
	Patan	B.T. Cotton	14401	11592	2809
	Kadi	B.T. Cotton	55000	55000	Unch
	Deesa	B.T. Cotton	625	700	-75
	Dhrol	B.T. Cotton	356	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1000	1000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4000	2500	1500
	Fatehabad	B.T. Cotton	500	600	-100
	Jind	B.T. Cotton	765	425	340
	Uchana	B.T. Cotton	765	1025	-260
	Dabwali	B.T. Cotton	450	750	-300
Rajasthan	Hanumangarh	B.T. Cotton	3550	3000	550
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	700	600	100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	15000	15000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9123	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	126	NA	-
	Hubli	B.T. Cotton	36	NA	-
	Raichur	H-44 Cotton	NA	1490	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-Jan-18	8-Jan-18	
Punjab	Bhatinda	J-34	5950	5100	850

	Abohar	J-34	850	1020	-170
	Mansa	J-34	850	510	340
<b>Haryana</b>	Sirsa	J-34	680	850	-170
<b>Rajasthan</b>	Sri-Ganganagar	J-34	500	300	200

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				8-Jan-18	6-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	39900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39000	39200	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	40800	40800	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42100	42300	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44100	44300	-200
DCH-32(107)	34mm	3.0 - 3.8	33	56400	57000	-600

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

Centre	Unit	Price		Change
		9-Jan-18	8-Jan-18	
Rajkot	Rs. /10 Kg.	673	673	Unch
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
		9-Jan-18	8-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1746	1754	-8
Akola	Rs./Qtl	1775	1798	-23

**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 08th-January-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	88.70	-1.20

**USDA Cotton Spot Rates: As on 08th-January-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.89	81.64	NIL
North Delta	77.39	79.14	1203
South Delta	77.39	79.14	NIL
East TX-OK	75.25	77.00	4468
West Texas	73.75	75.75	8425
Desert SW	73.14	77.14	NIL
SJ Valley	74.14	83.04	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 08th-January-2018**

Contract	Open	High	Low	Close	Change
Mar-18	78.10	78.79	77.93	78.14	0.13
May-18	78.15	79.01	78.12	78.47	0.22
Jul-18	78.63	79.40	78.54	78.85	0.17
Oct-18	75.34	75.34	75.34	75.34	0.20
Dec-18	74.10	74.70	74.10	74.64	0.28
Mar-19	74.82	74.84	74.82	74.84	0.32

<b>Pakistan Cotton Spot rates: As on 08th-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>	7700	145	7845
<b>Equivalent</b>	<b>40 Kgs</b>	8252	155	8407

#### Disclaimer

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