

Domestic Fundamentals:

Market Outlook: Cotton spot market prices reported steady on Wednesday.

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
Cont. (C1)	9	974.5	989	972.5	983	4909	1238	7826	-197

Spread	Cont (C1)		
Spot	66	-	-
	-	-	-

Updated at 05:00 pm as on 10-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-18	90	20160	20260	20140	20210	1222	-649	8060	-102
Feb-18	90	20350	20450	20340	20410	623	-298	3140	208

Spread	Jan 18	Feb 18	-	-	--	--
Spot				-	-	-
Jan-18	-190			-	-	-

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

* Updated at 05:00 pm as on 10-Jan 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	10-Jan-18	9-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5275	5275	Unch
	Patan	B.T. Cotton	5335	5290	45
	Kadi	B.T. Cotton	5350	5350	Unch
	Deesa	B.T. Cotton	5050	5050	Unch
	Dhrol	B.T. Cotton	NR	5300	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5525	5625	-100
	Bhiwani	Desi	6500	6500	Unch
	Adampur	B.T. Cotton	5390	5380	10
	Fatehabad	B.T. Cotton	5450	5450	Unch
	Jind	B.T. Cotton	5630	5640	-10
	Uchana	B.T. Cotton	5439	5470	-31
	Dabwali	B.T. Cotton	NR	5255	-
Rajasthan	Hanumangarh	B.T. Cotton	5420	5400	20
	Rawatsar	B.T. Cotton	5300	5300	Unch
Madhya Pradesh	Khandwa	Mech-1	5100	5100	Unch
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	4950	5000	-50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4885	4900	-15
Andhra Pradesh	Guntur	Un-Ginned	3850	NA	-
	Kurnool	Un-Ginned	5089	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5767	NA	-
	Hubli	D.C.H.	NA	5730	-
	Hubli	B.T. Cotton	NA	6919	-
	Raichur	H-44 Cotton	NA	5250	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Jan-18	9-Jan-18	
Punjab	Bhatinda	J-34	4280	4275	5
	Abohar	J-34	4280	4275	5
	Mansa	J-34	4260	4255	5

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4260	4260	Unch
Rajasthan	Sri-Ganganagar	J-34	4056	4056	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Jan-18	9-Jan-18	
Gujarat	Ahmedabad	Shankar-6	68000	68000	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5400	6400	-1000
	Patan	B.T. Cotton	13352	14401	-1049
	Kadi	B.T. Cotton	55000	55000	Unch
	Deesa	B.T. Cotton	400	625	-225
	Dhrol	B.T. Cotton	NR	356	-
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	4000	Unch
	Fatehabad	B.T. Cotton	800	500	300
	Jind	B.T. Cotton	527	765	-238
	Uchana	B.T. Cotton	1045	765	280
	Dabwali	B.T. Cotton	NR	450	-
Rajasthan	Hanumangarh	B.T. Cotton	3000	3550	-550
	Rawatsar	B.T. Cotton	700	1000	-300
Madhya Pradesh	Khandwa	Mech-1	800	700	100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	17000	15000	2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	7295	9123	-1828
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	262	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1690	NA	-
	Hubli	D.C.H.	NA	126	-
	Hubli	B.T. Cotton	NA	36	-
	Raichur	H-44 Cotton	NA	1250	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Jan-18	9-Jan-18	

Punjab	Bhatinda	J-34	5100	5950	-850
	Abohar	J-34	1020	850	170
	Mansa	J-34	680	850	-170
Haryana	Sirsa	J-34	510	680	-170
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				9-Jan-18	8-Jan-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41800	42000	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42500	42800	-300
J-34(202)	26mm	3.5 - 4.9	23	39700	39900	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39000	39000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	40700	40800	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42100	42100	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43900	44100	-200
DCH-32(107)	34mm	3.0 - 3.8	33	55900	56400	-500

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		10-Jan-18	9-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
		10-Jan-18	9-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1746	1746	Unch
Akola	Rs./Qtl	1768	1775	-7

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 10-January-2018

Index	RMB/Ton	Change
CCIndex(328)	15656	-10
CCIndex(527)	14636	-9
CCIndex(229)	16188	-7
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 10th-January-2018

Cotlook Indices	Cents/Pound	Change
A-Index	88.80	0.10

USDA Cotton Spot Rates: As on 09th-January-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.85	81.60	1512
North Delta	77.35	79.10	5703
South Delta	77.35	79.10	200
East TX-OK	75.50	77.25	5929
West Texas	73.75	75.75	17224
Desert SW	73.35	77.35	NIL
SJ Valley	74.35	83.25	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 09th-January-2018

Contract	Open	High	Low	Close	Change
Mar-18	78.08	78.70	78.03	78.35	0.21
May-18	78.41	78.96	78.35	78.69	0.22
Jul-18	79.00	79.26	78.75	79.03	0.18
Oct-18	75.52	75.52	75.52	75.52	0.18
Dec-18	74.56	74.75	74.51	74.72	0.08
Mar-19	74.96	74.96	74.96	74.96	0.12

Pakistan Cotton Spot rates: As on 09th-January-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7700	145	7845
Equivalent	40 Kgs	8252	155	8407

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