

Domestic Fundamentals:

Market Outlook: Cotton spot market prices noticed firm on Thursday.

In The News: Gujarat cotton prices are up by Rs.200-300 per candy arrivals are reported around 47000 bales.

Twelve lakh farmers have filed complaints with the Agriculture Department against 216 private seed companies for providing sub-standard cotton seeds.

The farmers said that the seeds failed to counter the pink bollworm pest and led to drop in cotton production. They have sought compensation of Rs. 6,500 crore.

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.

International Fundamentals:

As of January 9, 207,160 tons of cotton were harvested in Azerbaijan, which is 2.3 times more than in the same period of 2017, the Azerbaijani State Statistics Committee said in a message Jan. 10. For comparison: 88,600 tons of cotton were harvested in Azerbaijan as of Jan. 9, 2017. During the reporting period, the biggest volume of cotton was harvested in Azerbaijan's Saatli district. Thus, 25,750 tons of cotton were harvested from a 17,220-hectare-area.

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.

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)	19.5	993.5	1016.5	991	1012	9214	4305	7731	-95

Spread	Cont (C1)		
Spot	38.5	-	-
	-	-	-

Updated at 05:00 pm as on 11-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-18	250	20360	20650	20310	20560	3814	2592	7743	-317
Feb-18	270	20490	20840	20490	20770	2281	1658	3661	521

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

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

* Updated at 05:00 pm as on 11-Jan 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	11-Jan-18	10-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5350	5250	100
	Gondal	Shankar-6	5475	NR	-
	Rajkot	B.T. Cotton	5300	5275	25
	Patan	B.T. Cotton	5355	5335	20
	Kadi	B.T. Cotton	5350	5350	Unch
	Deesa	B.T. Cotton	5075	5050	25
	Dhrol	B.T. Cotton	NR	5190	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5525	5525	Unch
	Bhiwani	Desi	6500	6500	Unch
	Adampur	B.T. Cotton	5440	5390	50
	Fatehabad	B.T. Cotton	5480	5450	30
	Jind	B.T. Cotton	5660	5630	30
	Uchana	B.T. Cotton	5409	5439	-30
	Dabwali	B.T. Cotton	5355	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	5470	5420	50
	Rawatsar	B.T. Cotton	5430	5300	130
Madhya Pradesh	Khandwa	Mech-1	5200	5100	100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5100	4950	150
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4920	4885	35
Andhra Pradesh	Guntur	Un-Ginned	NA	3850	-
	Kurnool	Un-Ginned	NA	5089	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5569	5767	-198
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	6769	-
	Raichur	H-44 Cotton	NA	5250	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	11-Jan-18	10-Jan-18	
Punjab	Bhatinda	J-34	4310	4280	30
	Abohar	J-34	4310	4280	30
	Mansa	J-34	4270	4260	10
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4295	4260	35
Rajasthan	Sri-Ganganagar	J-34	4066	4056	9

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-Jan-18	10-Jan-18	
Gujarat	Ahmedabad	Shankar-6	68000	68000	Unch
	Gondal	Shankar-6	3710	NR	-
	Rajkot	B.T. Cotton	5800	5400	400
	Patan	B.T. Cotton	9730	13352	-3622
	Kadi	B.T. Cotton	50000	55000	-5000
	Deesa	B.T. Cotton	650	400	250
	Dhrol	B.T. Cotton	NR	403	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1200	1000	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3500	4000	-500
	Fatehabad	B.T. Cotton	850	800	50
	Jind	B.T. Cotton	510	527	-17
	Uchana	B.T. Cotton	2835	1045	1790
	Dabwali	B.T. Cotton	725	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	2000	3000	-1000
	Rawatsar	B.T. Cotton	1000	700	300
Madhya Pradesh	Khandwa	Mech-1	800	800	Unch
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	16000	17000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5744	7295	-1551
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	262	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	2350	1690	660
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	2	-
	Raichur	H-44 Cotton	NA	1220	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	11-Jan-18	10-Jan-18	
Punjab	Bhatinda	J-34	5950	5100	850

	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	680	680	Unch
Haryana	Sirsa	J-34	680	510	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
		11-Jan-18	10-Jan-18	
Rajkot	Rs. /10 Kg.	672	673	-1
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
		11-Jan-18	10-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1776	1746	30
Akola	Rs./Qtl	1793	1768	25

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 11-January-2018

Index	RMB/Ton	Change
CCIndex(328)	15657	1
CCIndex(527)	14638	2
CCIndex(229)	16190	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 11-January-2018

Index	Cents/lb	Change
FC Index (S)	93.21	1.17
FC Index (M)	89.70	1.19
FC Index (L)	87.99	1.39

Cotlook Index: As on 10th-January-2018

Cotlook Indices	Cents/Pound	Change
A-Index	88.80	0.10

USDA Cotton Spot Rates: As on 10th-January-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	80.15	82.90	NIL
North Delta	78.65	80.40	3908
South Delta	78.65	80.40	156
East TX-OK	76.75	78.50	10194
West Texas	75.25	77.25	25149
Desert SW	74.65	78.65	NIL
SJ Valley	75.65	84.55	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 10th-January-2018

Contract	Open	High	Low	Close	Change
Mar-18	78.35	79.93	78.33	79.65	1.30
May-18	78.69	80.12	78.69	79.96	1.27
Jul-18	79.03	80.26	79.03	80.15	1.12
Oct-18	76.06	76.06	76.06	76.06	0.54
Dec-18	74.75	74.98	74.60	74.92	0.20
Mar-19	75.00	75.19	74.87	75.19	0.23

Pakistan Cotton Spot rates: As on 10th-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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