

Domestic Fundamentals:

Market Outlook: Cotton spot market prices noticed weak tone on Saturday.

In The News: Indian cotton traders have cancelled contracts to export some 400,000 bales of the fibre after a rally in domestic prices and the rising rupee made overseas sales unattractive, the president of the Cotton Association of India told Reuters.

The switch, triggering penalty payments by traders, has left cotton buyers in leading markets like Bangladesh, Vietnam and China seeking to make up shortfalls by tapping suppliers in the United States, Australia and Brazil, said association head Atul Ganatra.

The cancellations and higher local prices could cut India's exports to 5 million bales, each of 170 kg, in the 2017/18 marketing year started on Oct. 1 - nearly a quarter below an initial estimate. Prices surged more than 15 percent in the past six weeks after pest infestations squeezed supplies in the world's biggest producer of the fibre.

Indian traders have so far shipped 1.5 million bales of the 2.5 million bales contracted since Oct. 1, when the current year began, dealers said. Last year India exported 5.8 million bales of cotton.

The harvest of cotton in Pakistan and northwest India is reported complete at this time. Mostly favourable conditions, for the harvest of cotton elsewhere in India at this time.

At a Telangana State review meeting on agriculture sector on last week, chief minister K Chnadrasekhar Rao said that there is uncertainty over the prices of cotton and other produces. Though the Cotton Corporation of India and other agencies are involved in the purchase of cotton, cotton farmers are still facing lots of problems. We need a strategy to bail out cotton farmers from this situation, mostly arising out of volatile situation in International markets. The CM said.

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.

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.

International Fundamentals:

Vietnam customs latest data revealed that the country's December cotton import totalled at 105,645 tonnes up by 35.6 per cent from last month.

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.

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)	11.5	1019	1029	1016	1022	7788	6305	6887	-548

Spread	Cont (C1)		
Spot	41	-	-
	-	-	-

Updated at 05:00 pm as on 13-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-18	-20	20850	21170	20550	20720	7236	6275	7077	-326
Feb-18	0	21100	21390	20780	20960	4782	4056	5072	821

Spread	Jan 18	Feb 18	-	-	--	--
Spot				-	-	-
Jan-18	-220			-	-	-

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

* Updated at 05:00 pm as on 13-Jan 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	13-Jan-18	12-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5500	5050	450
	Gondal	Shankar-6	5150	5325	-175
	Rajkot	B.T. Cotton	5325	5350	-25
	Patan	B.T. Cotton	5325	5495	-170
	Kadi	B.T. Cotton	5350	5350	Unch
	Deesa	B.T. Cotton	NR	5070	-
	Dhrol	B.T. Cotton	NR	5300	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5600	5700	-100
	Bhiwani	Desi	6200	6600	-400
	Adampur	B.T. Cotton	5410	5540	-130
	Fatehabad	B.T. Cotton	5510	5600	-90
	Jind	B.T. Cotton	5650	5750	-100
	Uchana	B.T. Cotton	5611	5487	124
	Dabwali	B.T. Cotton	5510	5470	40
Rajasthan	Hanumangarh	B.T. Cotton	5500	5600	-100
	Rawatsar	B.T. Cotton	5600	5650	-50
Madhya Pradesh	Khandwa	Mech-1	Closed	5200	-
	Khargaon	Mech-1	Closed	NR	-
Maharashtra	Amravati	Mech-1	5200	5050	150
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5010	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	5619	5867	-248
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5350	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	13-Jan-18	12-Jan-18	
Punjab	Bhatinda	J-34	4420	4430	-10
	Abohar	J-34	4420	4440	-20
	Mansa	J-34	Closed	4300	-

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4400	4430	-30
Rajasthan	Sri-Ganganagar	J-34	4146	4183	-38

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	13-Jan-18	12-Jan-18	
Gujarat	Ahmedabad	Shankar-6	64600	68000	-3400
	Gondal	Shankar-6	2570	1000	1570
	Rajkot	B.T. Cotton	5200	5600	-400
	Patan	B.T. Cotton	2560	12255	-9695
	Kadi	B.T. Cotton	40000	50000	-10000
	Deesa	B.T. Cotton	NR	500	-
	Dhrol	B.T. Cotton	NR	468	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	1000	2000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2500	3000	-500
	Fatehabad	B.T. Cotton	1000	1200	-200
	Jind	B.T. Cotton	680	595	85
	Uchana	B.T. Cotton	2250	1225	1025
	Dabwali	B.T. Cotton	800	750	50
Rajasthan	Hanumangarh	B.T. Cotton	1500	3500	-2000
	Rawatsar	B.T. Cotton	700	1000	-300
Madhya Pradesh	Khandwa	Mech-1	Closed	600	-
	Khargaon	Mech-1	Closed	NR	-
Maharashtra	Amravati	Mech-1	14000	15000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	6105	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	2020	2200	-180
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	920	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	13-Jan-18	12-Jan-18	

Punjab	Bhatinda	J-34	2550	5100	-2550
	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	Closed	680	-
Haryana	Sirsa	J-34	510	850	-340
Rajasthan	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
				12-Jan-18	11-Jan-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42900	42200	700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43600	42900	700
J-34(202)	26mm	3.5 - 4.9	23	40900	40100	800
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40200	39400	800
Shankar-6(105)	29mm	3.5 - 4.9	28	42000	41100	900
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43200	42400	800
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44500	44100	400
DCH-32(107)	34mm	3.0 - 3.8	33	55800	55600	200

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

Centre	Unit	Price		Change
		13-Jan-18	12-Jan-18	
Rajkot	Rs. /10 Kg.	672	672	Unch
New Delhi	Rs. /10 Kg.	680	680	Unch
Hyderabad	Rs. /10 Kg.	NA	NA	-
Mumbai	Rs. /10 Kg.	690	700	-10

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

Centre	Unit	Price		Change
		13-Jan-18	12-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1795	1793	2
Akola	Rs./Qtl	1808	1805	3

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 12-January-2018

Index	RMB/Ton	Change
CCIndex(328)	15658	1
CCIndex(527)	14638	Unch
CCIndex(229)	16193	3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 12-January-2018

Index	Cents/lb	Change
FC Index (S)	95.93	2.72
FC Index (M)	92.25	2.55
FC Index (L)	90.50	2.51

Cotlook Index: As on 12th-January-2018

Cotlook Indices	Cents/Pound	Change
A-Index	93.35	3.00

USDA Cotton Spot Rates: As on 11st-January-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	83.15	85.90	921
North Delta	81.65	83.40	NIL
South Delta	81.65	83.40	NIL
East TX-OK	79.25	81.00	16270
West Texas	77.75	79.75	36562
Desert SW	77.65	81.65	NIL
SJ Valley	78.65	87.55	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 12nd-January-2018

Contract	Open	High	Low	Close	Change
Mar-18	82.85	84.65	80.30	81.68	-0.97
May-18	83.01	84.45	80.41	81.96	-1.00
Jul-18	83.00	84.38	80.50	82.22	-0.78
Oct-18	76.77	76.77	76.77	76.77	-0.61
Dec-18	75.28	75.44	74.00	75.34	-0.08
Mar-19	75.29	75.65	74.08	75.61	0.34

Pakistan Cotton Spot rates: As on 11st-January-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7600	145	7745
Equivalent	40 Kgs	8145	155	8300

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