

### Domestic Fundamentals:

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

**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
<b>Cont. (C1)</b>	-21.5	1013	1013	999.5	1000.50	3567	-4221	7123	236

Spread	Cont (C1)		
<b>Spot</b>	52	-	-
	-	-	-

Updated at 05:00 pm as on 15-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Jan-18</b>	-90	20680	20700	20570	20630.	1270	-5966	6734	-343
<b>Feb-18</b>	-110	20890	20930	20790	20850	951	-3831	5123	51

Spread	Jan 18	Feb 18	-	-	--	--
<b>Spot</b>				-	-	-
<b>Jan-18</b>	-230			-	-	-

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

\* Updated at 05:00 pm as on 15-Jan 2018

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	15-Jan-18	13-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5450	5500	-50
	Gondal	Shankar-6	5305	5150	155
	Rajkot	B.T. Cotton	5250	5325	-75
	Patan	B.T. Cotton	5325	5325	Unch
	Kadi	B.T. Cotton	5450	5350	100
	Deesa	B.T. Cotton	5115	5110	5
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5570	5600	-30
	Bhiwani	Desi	6200	6200	Unch
	Adampur	B.T. Cotton	5350	5410	-60
	Fatehabad	B.T. Cotton	5440	5510	-70
	Jind	B.T. Cotton	5600	5650	-50
	Uchana	B.T. Cotton	5520	5611	-91
	Dabwali	B.T. Cotton	5305	5510	-205
Rajasthan	Hanumangarh	B.T. Cotton	5450	5500	-50
	Rawatsar	B.T. Cotton	5450	5600	-150
Madhya Pradesh	Khandwa	Mech-1	5200	Closed	-
	Khargaon	Mech-1	NR	Closed	-
Maharashtra	Amravati	Mech-1	5050	5200	-150
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5100	5250	-150
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	5010	-
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	5619	-
	Hubli	D.C.H.	NA	5769	-
	Hubli	B.T. Cotton	NA	6639	-
	Raichur	H-44 Cotton	NA	5375	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	15-Jan-18	13-Jan-18	
Punjab	Bhatinda	J-34	4350	4420	-70
	Abohar	J-34	4350	4420	-70
	Mansa	J-34	4320	Closed	-
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4330	4400	<b>-70</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	4089	4146	<b>-56</b>

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Jan-18	13-Jan-18	
<b>Gujarat</b>	Ahmedabad	Shankar-6	42500	64600	<b>-22100</b>
	Gondal	Shankar-6	2798	2570	<b>228</b>
	Rajkot	B.T. Cotton	3600	5200	<b>-1600</b>
	Patan	B.T. Cotton	5866	2560	<b>3306</b>
	Kadi	B.T. Cotton	50000	40000	<b>10000</b>
	Deesa	B.T. Cotton	250	200	<b>50</b>
	Dhrol	B.T. Cotton	NR	NR	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	1500	3000	<b>-1500</b>
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2500	2500	<b>Unch</b>
	Fatehabad	B.T. Cotton	450	1000	<b>-550</b>
	Jind	B.T. Cotton	510	680	<b>-170</b>
	Uchana	B.T. Cotton	2170	2250	<b>-80</b>
	Dabwali	B.T. Cotton	300	800	<b>-500</b>
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	2000	1500	<b>500</b>
	Rawatsar	B.T. Cotton	1000	700	<b>300</b>
<b>Madhya Pradesh</b>	Khandwa	Mech-1	600	Closed	-
	Khargaon	Mech-1	NR	Closed	-
<b>Maharashtra</b>	Amravati	Mech-1	18000	14000	<b>4000</b>
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	60	50	<b>10</b>
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	NA	6105	-
<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	2020	-
	Hubli	D.C.H.	NA	40	-
	Hubli	B.T. Cotton	NA	4	-
	Raichur	H-44 Cotton	NA	690	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	15-Jan-18	13-Jan-18	
<b>Punjab</b>	Bhatinda	J-34	5950	2550	<b>3400</b>

	Abohar	J-34	680	1020	<b>-340</b>
	Mansa	J-34	425	Closed	-
<b>Haryana</b>	Sirsa	J-34	510	510	<b>Unch</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	500	300	<b>200</b>

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				13-Jan-18	12-Jan-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42500	42900	<b>-400</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43100	43600	<b>-500</b>
J-34(202)	26mm	3.5 - 4.9	23	40500	40900	<b>-400</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40000	40200	<b>-200</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	41700	42000	<b>-300</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42900	43200	<b>-300</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44300	44500	<b>-200</b>
DCH-32(107)	34mm	3.0 - 3.8	33	55800	55800	<b>Unch</b>

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

Centre	Unit	Price		Change
		15-Jan-18	13-Jan-18	
Rajkot	Rs. /10 Kg.	673	672	<b>1</b>
New Delhi	Rs. /10 Kg.	680	680	<b>Unch</b>
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	700	690	<b>10</b>

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

Centre	Unit	Price		Change
		15-Jan-18	13-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1795	1795	<b>Unch</b>
Akola	Rs./Qtl	1800	1808	<b>-8</b>

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 15-January-2018**

Index	RMB/Ton	Change
CCIndex(328)	15660	<b>2</b>
CCIndex(527)	14641	<b>3</b>
CCIndex(229)	16198	<b>5</b>

RMB -Renminbi, 1RMB =0.16 \$U.S.

**China Foreign Cotton (FCE) Index : As on 15-January-2018**

Index	Cents/lb	Change
FC Index (S)	95.02	-0.91
FC Index (M)	91.47	-0.78
FC Index (L)	89.49	-1.01

**Cotlook Index: As on 12-January-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	93.35	3.00

**USDA Cotton Spot Rates: As on 12-January-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	82.18	84.93	NIL
North Delta	80.68	82.43	NIL
South Delta	80.68	82.43	NIL
East TX-OK	78.00	79.75	3646
West Texas	76.50	78.50	17914
Desert SW	76.68	80.68	1875
SJ Valley	77.68	86.58	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 12-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

<b>Pakistan Cotton Spot rates: As on 13-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>	7600	145	7745
<b>Equivalent</b>	<b>40 Kgs</b>	8145	155	8300

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