

Domestic Fundamentals:

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

In The News: The Maharashtra state has sought the Centre's help for Rs 2,430 crore under the National Disaster Relief Fund (NDRF) but the Centre never approves 100 per cent of the demand. In that case, the state would not be able to compensate the farmers the contribution announced under the fund. It has also said it will give Rs 8,000 per hectare under insurance cover but most farmers may not be eligible for compensation as their first two pickings have registered excessive produce. Farmers are eligible for insurance only if the loss is for over 30 per cent of the total yield and there were many cases where farmers had produced over 70 per cent yield. Also, the recovery from seed companies under the Maharashtra Cotton Seeds Act, 2009, due to failure of seeds is difficult.

The Maharashtra government has decided to withdraw the facility of co-marketing of brands for BT cotton seed companies, top officials of the state agriculture department said.

Bangladesh imports 46 percent of natural fibre from India spending about \$3 billion a year for local consumption. With the sudden cancellation of shipment of 400,000 bales of cotton by Indian traders, after a rally in domestic prices and the rising rupee, the Bangladeshi yarn makers will be negatively affected which could deal a blow to apparel exports

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 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.

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:

The current cotton season's prices have risen in concert with climbing higher international prices since October last year, with the rates touching \$85 cents a pound recently. Cotton prices in the country have increased sharply - nearly 14% towards levels around 43,000 a candy

Cotton on MCX settled down by -0.53% at 20610 tracking weakness in spot demand and overseas prices hurt by a slightly bearish supply demand USDA report as production in China expected to jump 5.6% India cotton traders cancel export deals due to higher local prices and country could export only 5 million bales, each of 170kg, in the 2017/18 marketing year started on 1 October—nearly a quarter below an initial estimate Market arrivals of cotton in the first three months of the 2017-18 marketing season starting October are higher by around 43% over corresponding last year.

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.

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)	8	1010	1019	1007	1013	4481	2321	7216	180
Spread	Cont (C1)								
Spot	-26				-		-		
	-				-		-		

Updated at 05:00 pm as on 18-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-18	220	20830	20970	20800	20900	1836	952	5495	-224
Feb-18	230	20970	21190	20970	21120	1707	1120	5911	329
Spread	Jan 18	Feb 18	-		-	-	--	--	--
Spot					-	-	-	-	-
Jan-18	-220				-	-	-	-	-

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

* Updated at 05:00 pm as on 18-Jan 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Jan-18	17-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5400	5300	100
	Gondal	Shankar-6	5260	5310	-50
	Rajkot	B.T. Cotton	5350	5225	125
	Patan	B.T. Cotton	NR	5335	-
	Kadi	B.T. Cotton	5450	5400	50
	Deesa	B.T. Cotton	NR	5115	-
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5625	5550	75
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5440	5450	-10
	Fatehabad	B.T. Cotton	5500	5460	40
	Jind	B.T. Cotton	5810	5650	160
	Uchana	B.T. Cotton	5464	5468	-4
	Dabwali	B.T. Cotton	5435	5335	100
Rajasthan	Hanumangarh	B.T. Cotton	5530	NR	-
	Rawatsar	B.T. Cotton	5400	5400	Unch
Madhya Pradesh	Khandwa	Mech-1	5250	5200	50
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5050	5050	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	4900	-
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	5589	-
	Hubli	D.C.H.	NA	5351	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5350	5330	20
Commodity	Lint		Prices (Rs./Mound)		Change
State	Centre	Variety	18-Jan-18	17-Jan-18	
Punjab	Bhatinda	J-34	4395	4355	40
	Abohar	J-34	4400	4350	50
	Mansa	J-34	4365	4320	45
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-

Haryana	Sirsa	J-34	4375	4340	35
Rajasthan	Sri-Ganganagar	J-34	4066	4066	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Jan-18	17-Jan-18	
Gujarat	Ahmedabad	Shankar-6	59500	51000	8500
	Gondal	Shankar-6	2975	6219	-3244
	Rajkot	B.T. Cotton	5600	4400	1200
	Patan	B.T. Cotton	NR	11990	-
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NR	1000	-
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	2000	1500	500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	2550	2550
	Fatehabad	B.T. Cotton	850	600	250
	Jind	B.T. Cotton	391	408	-17
	Uchana	B.T. Cotton	1240	745	495
	Dabwali	B.T. Cotton	750	425	325
Rajasthan	Hanumangarh	B.T. Cotton	2800	NR	-
	Rawatsar	B.T. Cotton	1000	500	500
Madhya Pradesh	Khandwa	Mech-1	300	400	-100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	17000	10000	7000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	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	1700	-
	Hubli	D.C.H.	NA	2	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1267	1545	-278
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Jan-18	17-Jan-18	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	850	680	170

	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	680	510	170
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				17-Jan-18	16-Jan-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42100	42100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42700	42700	Unch
J-34(202)	26mm	3.5 - 4.9	23	40300	40000	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39800	39600	200
Shankar-6(105)	29mm	3.5 - 4.9	28	41000	41200	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42300	42500	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43600	43800	-200
DCH-32(107)	34mm	3.0 - 3.8	33	55300	55300	Unch

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

Centre	Unit	Price		Change
		18-Jan-18	17-Jan-18	
Rajkot	Rs. /10 Kg.	670	670	Unch
New Delhi	Rs. /10 Kg.	680	680	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	695	695	Unch

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

Centre	Unit	Price		Change
		18-Jan-18	17-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1739	1755	-16
Akola	Rs./Qtl	1771	1775	-4

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 18-January-2018

Index	RMB/Ton	Change
CCIndex(328)	15663	3
CCIndex(527)	14652	6
CCIndex(229)	16198	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 18-January-2018

Index	Cents/lb	Change
FC Index (S)	94.85	0.31
FC Index (M)	91.41	0.40
FC Index (L)	89.49	0.50

Cotlook Index: As on 17-January-2018

Cotlook Indices	Cents/Pound	Change
A-Index	92.10	-0.25

USDA Cotton Spot Rates: As on 17-January-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	82.64	85.39	NIL
North Delta	81.14	82.89	NIL
South Delta	81.14	82.89	NIL
East TX-OK	77.25	79.00	8651
West Texas	75.75	77.75	16723
Desert SW	77.14	81.14	NIL
SJ Valley	78.14	87.04	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 17-January-2018

Contract	Open	High	Low	Close	Change
Mar-18	81.30	82.22	80.96	82.14	0.71
May-18	81.41	82.46	81.16	82.39	0.72
Jul-18	81.55	82.66	81.42	82.60	0.74
Oct-18	76.90	76.90	76.90	76.90	0.40
Dec-18	74.91	75.20	74.90	75.09	0.06
Mar-19	75.19	75.30	75.19	75.24	-0.03

Pakistan Cotton Spot rates: As on 17-January-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7500	145	7645
Equivalent	40 Kgs	8038	155	8193

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