

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed mixed tone on Friday.

In The News: China ranks as the top foreign buyer of US cotton this season on purchases of 2.019 million running bales through Jan. 4 and India ranks eighth on purchases of 544,000 RB. India has been the leading buyer three weeks in row.

National Seed Association of India (NSAI) has blamed the MMBL for loss of BT cotton crop in this Kharif season in Maharashtra due to pink bollworm infestation. It has asked the company to take the "complete responsibility" else its members will not sell any BT cotton seeds.

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.

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 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)	-3	1002	1002.5	987	995	4757	276	7012	-204

Spread	Cont (C1)			
Spot	-67		-	
	-		-	

Updated at 05:00 pm as on 19-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-18	70	20750	20900	20730	20880	1630	-206	4869	-626
Feb-18	70	20980	21120	20940	21100	1798	91	6299	388

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

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

* Updated at 05:00 pm as on 19-Jan 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	19-Jan-18	18-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5400	5400	Unch
	Gondal	Shankar-6	5275	5260	15
	Rajkot	B.T. Cotton	5300	5350	-50
	Patan	B.T. Cotton	5375	NR	-
	Kadi	B.T. Cotton	5225	5450	-225
	Deesa	B.T. Cotton	NR	NR	-
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5600	5625	-25
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5450	5440	10
	Fatehabad	B.T. Cotton	5475	5500	-25
	Jind	B.T. Cotton	5860	5810	50
	Uchana	B.T. Cotton	5531	5464	67
	Dabwali	B.T. Cotton	5370	5435	-65
Rajasthan	Hanumangarh	B.T. Cotton	5500	5530	-30
	Rawatsar	B.T. Cotton	5400	5400	Unch
Madhya Pradesh	Khandwa	Mech-1	NR	5250	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5050	-50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4910	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	NA	NA	-
	Hubli	D.C.H.	5601	NA	-
	Hubli	B.T. Cotton	5500	NA	-
	Raichur	H-44 Cotton	5350	5350	Unch
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	19-Jan-18	18-Jan-18	
Punjab	Bhatinda	J-34	4440	4395	45
	Abohar	J-34	4420	4400	20
	Mansa	J-34	4400	4365	35
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-

Haryana	Sirsa	J-34	4420	4375	45
Rajasthan	Sri-Ganganagar	J-34	4089	4066	24

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	19-Jan-18	18-Jan-18	
Gujarat	Ahmedabad	Shankar-6	68000	59500	8500
	Gondal	Shankar-6	3622	2975	647
	Rajkot	B.T. Cotton	4800	5600	-800
	Patan	B.T. Cotton	16503	NR	-
	Kadi	B.T. Cotton	25000	30000	-5000
	Deesa	B.T. Cotton	NR	NR	-
	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	2000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4250	5100	-850
	Fatehabad	B.T. Cotton	1300	850	450
	Jind	B.T. Cotton	391	391	Unch
	Uchana	B.T. Cotton	1360	1240	120
	Dabwali	B.T. Cotton	650	750	-100
Rajasthan	Hanumangarh	B.T. Cotton	3500	2800	700
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	NR	300	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	15000	17000	-2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9028	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	NA	-
	Hubli	D.C.H.	28	NA	-
	Hubli	B.T. Cotton	8	NA	-
	Raichur	H-44 Cotton	1270	1267	3
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Jan-18	18-Jan-18	
Punjab	Bhatinda	J-34	5950	5100	850
	Abohar	J-34	1700	850	850

	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	850	680	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
				18-Jan-18	17-Jan-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42600	42100	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43200	42700	500
J-34(202)	26mm	3.5 - 4.9	23	40800	40300	500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40200	39800	400
Shankar-6(105)	29mm	3.5 - 4.9	28	41400	41000	400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42600	42300	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43900	43600	300
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
		19-Jan-18	18-Jan-18	
Rajkot	Rs. /10 Kg.	672	670	2
New Delhi	Rs. /10 Kg.	685	680	5
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
		19-Jan-18	18-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1740	1739	1
Akola	Rs./Qtl	1774	1771	3

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 19-January-2018

Index	RMB/Ton	Change
CCIndex(328)	15663	Unch
CCIndex(527)	14652	Unch
CCIndex(229)	16198	Unch
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 18-January-2018

Cotlook Indices	Cents/Pound	Change
A-Index	92.85	0.75

USDA Cotton Spot Rates: As on 18-January-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	83.13	85.88	NIL
North Delta	81.63	83.38	NIL
South Delta	81.63	83.38	NIL
East TX-OK	77.75	79.50	8082
West Texas	76.25	78.25	1950
Desert SW	77.88	81.88	1095
SJ Valley	78.63	87.53	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 18-January-2018

Contract	Open	High	Low	Close	Change
Mar-18	82.01	83.94	81.82	82.63	0.49
May-18	82.34	84.29	82.14	82.99	0.60
Jul-18	82.50	84.50	82.47	83.36	0.76
Oct-18	77.23	77.23	77.23	77.23	0.33
Dec-18	75.00	75.80	75.00	75.28	0.19
Mar-19	75.70	75.70	75.28	75.28	0.04

Pakistan Cotton Spot rates: As on 18-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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