

Domestic Fundamentals:

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

In The News: ICE cotton futures gained nearly 1 percent on this week, after falling in the two previous sessions, supported by mill buying. The most active ICE cotton contract for March expiry settled up 0.71 cent, or 0.87 percent, at 82.14 cents per lb. It traded within a range of 80.96 and 82.22 cents a lb.

According to cotton ginning, spinning and textile mills, the trend is predominantly led by a rise in the commodity prices, which now stand at about Rs 42,000 per candy of 356 kg, (Rs 11,670 per quintal) along with dearth of export incentives. In terms of quintals too, cotton prices have grown by 11 per cent from Rs 10,517 in November 2017 to Rs 11,670 per quintal now.

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.

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:

U.S. all-cotton export commitments stand at 82% of the USDA forecast. Far East prices remain competitive. Cotton futures finished higher for the third consecutive session Friday, with spot March completing an inside day and confined for the week within last Friday's wide trading range.

Net U.S. all-cotton export sales for shipment this season offered support, maintaining a steady pace at a strong 286,200 running bales during the week ended Jan. 11. This boosted 2017-18 commitments to 11.818 million RB, narrowing the lead over year-ago cumulative sales 66,000 RB to 2.423 million RB or 26% and reaching 82% of the USDA export forecast. A year ago, cumulative sales were 65% of final 2016-17 exports.

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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.

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	1018.5	1018.5	991.5	996.50	4757	276	7012	-204

Spread	Cont (C1)		
Spot	-42	-	-
	-	-	-

Updated at 05:00 pm as on 22-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-18	70	21020	20840	20900.	21020	1630	-206	4869	-626
Feb-18	70	21210	21240	21050	21120.	1798	91	6299	388

Spread	Jan 18	Feb 18	-	-	--	--
Spot				-	-	-
Jan-18	-400			-	-	-

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

* Updated at 05:00 pm as on 22-Jan 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	22-Jan-18	20-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5350	5350	Unch
	Gondal	Shankar-6	5295	5290	5
	Rajkot	B.T. Cotton	5275	5300	-25
	Patan	B.T. Cotton	NR	5325	-
	Kadi	B.T. Cotton	5250	5225	25
	Deesa	B.T. Cotton	NR	NR	-
	Dhrol	B.T. Cotton	5200	5225	-25
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5550	5600	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5450	5435	15
	Fatehabad	B.T. Cotton	5450	5450	Unch
	Jind	B.T. Cotton	5750	5850	-100
	Uchana	B.T. Cotton	5440	5460	-20
	Dabwali	B.T. Cotton	5310	5365	-55
Rajasthan	Hanumangarh	B.T. Cotton	5500	5480	20
	Rawatsar	B.T. Cotton	5425	5400	25
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NR	Closed	-
Maharashtra	Amravati	Mech-1	5000	5000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4910	4930	-20
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	5211	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	4320	-
Karnataka	Bijapur	Bunny	5989	5639	350
	Hubli	D.C.H.	NA	5759	-
	Hubli	B.T. Cotton	NA	6551	-
	Raichur	H-44 Cotton	5400	5380	20
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	22-Jan-18	20-Jan-18	
Punjab	Bhatinda	J-34	4500	4500	Unch
	Abohar	J-34	4450	4440	10
	Mansa	J-34	4400	4400	Unch
	Muktsar	J-34	NR	NR	-

	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4420	4420	Unch
Rajasthan	Sri-Ganganagar	J-34	4183	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Jan-18	20-Jan-18	
Gujarat	Ahmedabad	Shankar-6	76500	76500	Unch
	Gondal	Shankar-6	3909	3117	792
	Rajkot	B.T. Cotton	6400	6400	Unch
	Patan	B.T. Cotton	NR	13497	-
	Kadi	B.T. Cotton	80000	50000	30000
	Deesa	B.T. Cotton	NR	NR	-
	Dhrol	B.T. Cotton	419	454	-35
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1000	1000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	3400	3400
	Fatehabad	B.T. Cotton	700	1500	-800
	Jind	B.T. Cotton	595	595	Unch
	Uchana	B.T. Cotton	2620	3505	-885
	Dabwali	B.T. Cotton	1000	675	325
Rajasthan	Hanumangarh	B.T. Cotton	3000	3500	-500
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NR	Closed	-
Maharashtra	Amravati	Mech-1	14500	16000	-1500
	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	246	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	3263	1806	1457
	Hubli	D.C.H.	NA	22	-
	Hubli	B.T. Cotton	NA	328	-
	Raichur	H-44 Cotton	1897	1575	322
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	22-Jan-18	20-Jan-18	
Punjab	Bhatinda	J-34	6800	5950	850

	Abohar	J-34	1360	680	680
	Mansa	J-34	1190	935	255
Haryana	Sirsa	J-34	850	680	170
Rajasthan	Sri-Ganganagar	J-34	1000	NR	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				20-Jan-18	19-Jan-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42200	42200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42800	42800	Unch
J-34(202)	26mm	3.5 - 4.9	23	40600	40600	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39800	39800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	41500	41200	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42800	42300	500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43600	43600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	56300	55300	1000

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

Centre	Unit	Price		Change
		22-Jan-18	20-Jan-18	
Rajkot	Rs. /10 Kg.	675	672	3
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
		22-Jan-18	20-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1697	1736	-39
Akola	Rs./Qtl	1738	1771	-33

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 22-January-2018

Index	RMB/Ton	Change
CCIndex(328)	15688	22
CCIndex(527)	14666	13
CCIndex(229)	16208	9

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

China Foreign Cotton (FCE) Index : As on 22-January-2018

Index	Cents/lb	Change
FC Index (S)	96.00	0.72
FC Index (M)	92.50	0.68
FC Index (L)	90.78	0.79

Cotlook Index: As on 19-January-2018

Cotlook Indices	Cents/Pound	Change
A-Index	93.35	0.50

USDA Cotton Spot Rates: As on 19-January-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	83.92	86.67	644
North Delta	82.42	84.17	NIL
South Delta	82.42	84.17	NIL
East TX-OK	78.50	80.25	4986
West Texas	76.75	78.75	16027
Desert SW	78.67	82.67	780
SJ Valley	79.42	88.32	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 19-January-2018

Contract	Open	High	Low	Close	Change
Mar-18	82.53	83.76	82.36	83.42	0.79
May-18	82.90	84.10	82.75	83.79	0.80
Jul-18	83.17	84.45	83.15	84.23	0.87
Oct-18	77.64	77.64	77.64	77.64	0.41
Dec-18	75.27	75.95	75.27	75.75	0.47
Mar-19	75.70	75.80	75.70	75.75	0.47

Pakistan Cotton Spot rates: As on 19-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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