

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed weak on Wednesday.

In The News: India's imports of yarn, fabrics and made-up articles during December last year rose by 20 per cent over the figure in the same month in 2016, according to the ministry of commerce and industry. Apparel exports, however, dropped 0.3 percent in April-December 2017 and 8 percent in December, which is being attributed by some to duty drawback rates revision.

According market sources said that buying by some of the leading mills and spinners in Pakistan helped the prices to hold present levels and trading activity also showed improvement.

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:

China Dec cotton import volumes reached 1lakh tones, up by 38.5% m-o-m about down by 30 % y-o-y. in Jan-Dec, China cotton approached 1.16 million tons, up by 29% y-o-y. in 2017-18, cumulative cotton imports of China reached 340000 tonnes ,up by 14.12% y-o-y.

The Karachi Cotton Association on Monday fixed the official spot rate, or base price, for Grade 3 cotton at 8,038 rupees per maund (40 kg). Grade 3 cotton has a staple length of 1-1/16" and micronaire value between 3.8 and 4.9 NCL (no control limits), which represents fine to coarse classes of cotton varieties. In the kerb market, the key crop varieties traded in the range of 8,000 to 6,400 rupees per maund.

Cotton futures in March contract are higher by 13 points at 83.55 in a relatively quiet trading session this Monday afternoon in New York as prices are still hovering right near contract highs.

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.

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.

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)	-5	986	990	977.5	980	4262	118	7852	20

Spread	Cont (C1)		
Spot	-55	-	-
	-	-	-

Updated at 05:00 pm as on 24-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jan-18	-250	20600	20620	20330	20360	2345	1227	3036	-1081
Feb-18	-230	20730	20800	20550	20560	3300	1607	7532	491

Spread	Jan 18	Feb 18	-	-	--	--
Spot				-	-	-
Jan-18	-180			-	-	-

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

* Updated at 05:00 pm as on 24-Jan 2018

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	24-Jan-18	23-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5250	5300	-50
	Gondal	Shankar-6	5260	5225	35
	Rajkot	B.T. Cotton	5200	5225	-25
	Patan	B.T. Cotton	5240	5265	-25
	Kadi	B.T. Cotton	5350	5300	50
	Deesa	B.T. Cotton	5060	5100	-40
	Dhrol	B.T. Cotton	5170	5180	-10
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5500	5500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5300	5360	-60
	Fatehabad	B.T. Cotton	5330	5350	-20
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	5415	-
	Dabwali	B.T. Cotton	5245	5290	-45
Rajasthan	Hanumangarh	B.T. Cotton	5450	5500	-50
	Rawatsar	B.T. Cotton	5350	5350	Unch
Madhya Pradesh	Khandwa	Mech-1	4900	5000	-100
	Khargaon	Mech-1	NR	NR	-
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	4860	4885	-25
Andhra Pradesh	Guntur	Un-Ginned	3500	NA	-
	Kurnool	Un-Ginned	4959	5055	-96
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	NA	-
Karnataka	Bijapur	Bunny	5669	5989	-320
	Hubli	D.C.H.	NA	5419	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5300	5450	-150
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	24-Jan-18	23-Jan-18	
Punjab	Bhatinda	J-34	4390	4430	-40
	Abohar	J-34	4390	4430	-40
	Mansa	J-34	4360	4400	-40
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-

Haryana	Sirsa	J-34	4370	4400	-30
Rajasthan	Sri-Ganganagar	J-34	4202	4193	9

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Jan-18	23-Jan-18	
Gujarat	Ahmedabad	Shankar-6	68000	76500	-8500
	Gondal	Shankar-6	3431	3518	-87
	Rajkot	B.T. Cotton	6400	5400	1000
	Patan	B.T. Cotton	10722	11265	-543
	Kadi	B.T. Cotton	65000	75000	-10000
	Deesa	B.T. Cotton	400	250	150
	Dhrol	B.T. Cotton	357	168	189
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	2000	500	1500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	4250	2550
	Fatehabad	B.T. Cotton	700	500	200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	1170	-
	Dabwali	B.T. Cotton	700	450	250
Rajasthan	Hanumangarh	B.T. Cotton	600	2500	-1900
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	600	600	Unch
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	16000	18000	-2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	12570	13423	-853
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	416	631	-215
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	4468	3260	1208
	Hubli	D.C.H.	NA	20	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1215	1605	-390
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Jan-18	23-Jan-18	
Punjab	Bhatinda	J-34	4250	5100	-850
	Abohar	J-34	850	1190	-340

	Mansa	J-34	170	510	-340
Haryana	Sirsa	J-34	170	170	Unch
Rajasthan	Sri-Ganganagar	J-34	300	400	-100

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				23-Jan-18	22-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	40900	40900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40600	40600	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	41900	41900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43300	43300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44100	44100	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	57500	57100	400

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

Centre	Unit	Price		Change
		24-Jan-18	23-Jan-18	
Rajkot	Rs. /10 Kg.	680	675	5
New Delhi	Rs. /10 Kg.	685	680	5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	700	698	2

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

Centre	Unit	Price		Change
		24-Jan-18	23-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1704	1688	16
Akola	Rs./Qtl	1738	1736	2

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 24-January-2018

Index	RMB/Ton	Change
CCIndex(328)	15696	3
CCIndex(527)	14679	10
CCIndex(229)	16218	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 24-January-2018

Index	Cents/lb	Change
FC Index (S)	95.49	-0.51
FC Index (M)	92.03	-0.47
FC Index (L)	90.24	-0.54

Cotlook Index: As on 23-January-2018

Cotlook Indices	Cents/Pound	Change
A-Index	94.10	Unch

USDA Cotton Spot Rates: As on 23-January-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	82.76	85.51	243
North Delta	81.26	83.01	558
South Delta	81.26	83.01	NIL
East TX-OK	77.50	79.25	7024
West Texas	75.75	77.75	10211
Desert SW	77.51	81.51	200
SJ Valley	78.26	87.16	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 23-January-2018

Contract	Open	High	Low	Close	Change
Mar-18	83.42	83.68	82.01	82.26	-1.15
May-18	83.78	84.05	82.50	82.74	-1.04
Jul-18	84.15	84.45	82.90	83.19	-1.00
Oct-18	77.03	77.03	77.03	77.03	-0.37
Dec-18	75.75	76.00	75.20	75.33	-0.42
Mar-19	75.35	75.35	75.31	75.31	-0.39

Pakistan Cotton Spot rates: As on 23-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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