

### Domestic Fundamentals:

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

**In The News:** Technically Cotton market is under fresh buying as market has witnessed gain in open interest by 13.51% to settled at 8946 while prices up 80 rupees.

Market arrivals of cotton in the first three months of current cotton season are higher by around 43% compared to the same period a year ago.

So far, about half of the crop, nearly 165 lakh bales, has already arrived in the market. The exports have crossed over 22 lakh bales. Going forward, the quality issues may crop up and prices may firm-up further. However, all eyes are on the upcoming Budget anticipating some boost for the textiles sector, which can push up the cotton demand.

With steady arrivals, kapas prices at Gujarat markets hovered around Rs 1,030 -1,050 per 20 kg or Rs 5,150-5,250 per quintal. The prices corrected marginally from the peak of Rs 5,500 on increased arrivals. In other markets of Telangana, Karnataka and Maharashtra, the prices are hovering between Rs 4,800 and Rs 5,200. Ginned cotton prices hovered at Rs 41,800 per candy of 356 kg, which is about Rs 700 lower than what was seen a month ago.

India's state of Maharashtra, the country's second-biggest cotton producing state, has cut its forecast for output of the fibre by 37 percent from its September outlook as a pest infestation has reduced yields, a senior government official told Reuters. Maharashtra's output is now forecast to drop to 6 million bales of 170 kg each for the 2017-18 marketing year that started on Oct. 1. That is down from 10.7 million bales produced in the 2016-17 marketing year.

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 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:

According to USDA the total spot transactions for the season were 1,260,255 bales compared to 1,067,357 bales the corresponding week a year ago. The ICE March settlement prices ended the week at 81.88 cents, compared to 82.63 cents last week.

World cotton production is expected to increase to 121 million bales in 2017-2018, compared to 106.6 million bales in 2016-2017 and 96.2 million bales in 2015-2016, according to USDA.

Bangladesh MY 2017/18 raw cotton production is projected at 135,000 bales based upon favorable weather and expansion of American Upland cotton planted area. Imports are projected to rise by 7 million bales due to strong demand in diversified garment products with non-traditional business partners such as China, Japan, Russia and India

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.

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>	-1	970	973.5	966	973	3967	-3300	8411	-564

Spread	Cont (C1)		
Spot	-56	-	-
	-	-	-

Updated at 05:00 pm as on 29-Jan-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
<b>Jan-18</b>	-390	20240	20240	19930	19990	1202	-1613	1491	-101
<b>Feb-18</b>	-310	20400	20420	20230	20300	2918	-1731	9470	524

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

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

\* Updated at 05:00 pm as on 29-Jan-2018

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	29-Jan-18	27-Jan-18	
Gujarat	Ahmedabad	Shankar-6	5200	5200	Unch
	Gondal	Shankar-6	5125	5225	-100
	Rajkot	B.T. Cotton	5175	5150	25
	Patan	B.T. Cotton	5195	5205	-10
	Kadi	B.T. Cotton	5200	5200	Unch
	Deesa	B.T. Cotton	5100	5000	100
	Dhrol	B.T. Cotton	5140	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5250	5350	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5150	5140	10
	Fatehabad	B.T. Cotton	5215	5200	15
	Jind	B.T. Cotton	5350	5600	-250
	Uchana	B.T. Cotton	5200	5280	-80
	Dabwali	B.T. Cotton	5155	5160	-5
Rajasthan	Hanumangarh	B.T. Cotton	5300	5300	Unch
	Rawatsar	B.T. Cotton	5150	5150	Unch
Madhya Pradesh	Khandwa	Mech-1	5000	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	4650	4700	-50
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4581	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	NA	5509	-
	Hubli	D.C.H.	NA	5700	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5250	5225	25
Commodity	Lint		Prices (Rs./Mound)		Change
State	Centre	Variety	29-Jan-18	27-Jan-18	
Punjab	Bhatinda	J-34	4255	4270	-15
	Abohar	J-34	4245	4280	-35
	Mansa	J-34	4225	4250	-25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-

Haryana	Sirsa	J-34	4230	4250	-20
Rajasthan	Sri-Ganganagar	J-34	4183	4089	94

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	29-Jan-18	27-Jan-18	
Gujarat	Ahmedabad	Shankar-6	68000	68000	Unch
	Gondal	Shankar-6	3786	3271	515
	Rajkot	B.T. Cotton	6600	8000	-1400
	Patan	B.T. Cotton	7997	7235	762
	Kadi	B.T. Cotton	25000	40000	-15000
	Deesa	B.T. Cotton	500	300	200
	Dhrol	B.T. Cotton	535	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	500	500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	6800	-1700
	Fatehabad	B.T. Cotton	250	400	-150
	Jind	B.T. Cotton	153	340	-187
	Uchana	B.T. Cotton	3800	7250	-3450
	Dabwali	B.T. Cotton	450	1500	-1050
Rajasthan	Hanumangarh	B.T. Cotton	2500	300	2200
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	600	Closed	-
	Khargaon	Mech-1	NR	Closed	-
Maharashtra	Amravati	Mech-1	19000	17000	2000
	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	118	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	3506	-
	Hubli	D.C.H.	NA	78	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1642	1747	-105
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	29-Jan-18	27-Jan-18	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	680	510	170

	Mansa	J-34	425	510	<b>-85</b>
<b>Haryana</b>	Sirsa	J-34	510	340	<b>170</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	500	500	<b>Unch</b>

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				27-Jan-18	25-Jan-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41100	41900	<b>-800</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41700	42500	<b>-800</b>
J-34(202)	26mm	3.5 - 4.9	23	40100	40600	<b>-500</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39800	40300	<b>-500</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	41300	41800	<b>-500</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42500	43000	<b>-500</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43400	43900	<b>-500</b>
DCH-32(107)	34mm	3.0 - 3.8	33	56700	57500	<b>-800</b>

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

Centre	Unit	Price		Change
		29-Jan-18	27-Jan-18	
Rajkot	Rs. /10 Kg.	690	687	<b>3</b>
New Delhi	Rs. /10 Kg.	695	685	<b>10</b>
Hyderabad	Rs. /10 Kg.	NR	NR	<b>-</b>
Mumbai	Rs. /10 Kg.	710	700	<b>10</b>

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

Centre	Unit	Price		Change
		29-Jan-18	27-Jan-18	
Mahesana (Kadi)	Rs./Qtl	1669	1675	<b>-6</b>
Akola	Rs./Qtl	1701	1712	<b>-11</b>

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 29-January-2018**

Index	RMB/Ton	Change
CCIndex(328)	15716	<b>7</b>
CCIndex(527)	14692	<b>5</b>
CCIndex(229)	16237	<b>3</b>
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 25-January-2018**

Index	Cents/lb	Change
FC Index (S)	95.49	Unch
FC Index (M)	92.03	Unch
FC Index (L)	90.24	Unch

**Cotlook Index: As on 26-January-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	92.40	-0.45

**USDA Cotton Spot Rates: As on 26-January-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	80.98	83.23	NIL
North Delta	79.48	81.23	NIL
South Delta	79.48	81.23	NIL
East TX-OK	77.25	79.00	4376
West Texas	76.00	78.00	6162
Desert SW	75.73	79.73	259
SJ Valley	76.48	85.38	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 26-January-2018**

Contract	Open	High	Low	Close	Change
Mar-18	81.86	81.98	80.32	80.48	-1.40
May-18	82.54	82.63	81.05	81.22	-1.36
Jul-18	83.09	83.09	81.49	81.72	-1.34
Oct-18	76.60	76.60	76.60	76.60	-1.02
Dec-18	76.00	76.15	75.20	75.51	-0.50
Mar-19	75.96	75.96	75.40	75.67	-0.38

**Pakistan Cotton Spot rates: As on 27-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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