

Domestic Fundamentals:

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

In The News: Higher demand for better grades of cotton kept market sentiments firm while better grades of cotton getting a premium price during trading sessions at leading stations of cotton market in India.

The government today increased import duties on certain crude and refined vegetable oils like cotton seed oil, olive oil and groundnut oil, to 30-35 per cent to check shipments. Import duty on crude edible vegetable oils like groundnut oil, olive oil, cotton seed oil, safflower seed oil, saffola oil, coconut oil, palm kernel/babassu oil, linseed oil, maize corn oil, castor oil, sesame oil, other fixed vegetable fats and oils has been raised from 12.5 per cent to 30 per cent.

Cotton yield in Gujarat may take a 15% hit this year due to the pink bollworm pest attack. The average per hectare yield of cotton in the state is estimated to fall from 510-520kg a hectare to 480kg a hectare.

Cotton acreage in Gujarat increased to 26.42 lakh hectares in the kharif season of 2017-18 from 24.04 lakh hectares in the previous season.

Maharashtra is one of the top producers of cotton has lowered its estimate of production in 2017-18 to 6.0 mln bales from 9.5mln bales projected in the first advanced estimate due to sharp fall in yields. 2016-17 4th advance estimates 10.6 mln bales.

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.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	-7.5	977	979.5	971	972.5	2331	-2570	7455	-459

Spread	Cont (C1)		
Spot	-45.5	-	-
	-	-	-

Updated at 05:00 pm as on 05-Feb-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	-110	20150	20160	20050	20050	949	-2920	9295	24
Mar-18	-100	20350	20370	20280	20280	132	-866	1550	-6

Spread	Feb 18	Mar 18	-	-	--	--
Spot				-	-	-
Feb-18	-210			-	-	-

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

* Updated at 05:00 pm as on 05-Feb 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	5-Feb-18	3-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5150	5150	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5180	5125	55
	Patan	B.T. Cotton	5225	5195	30
	Kadi	B.T. Cotton	5250	5200	50
	Deesa	B.T. Cotton	4900	NA	-
	Dhrol	B.T. Cotton	NR	5055	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5300	5425	-125
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5300	5300	Unch
	Fatehabad	B.T. Cotton	5350	5350	Unch
	Jind	B.T. Cotton	5312	5400	-88
	Uchana	B.T. Cotton	5347	5275	72
	Dabwali	B.T. Cotton	5215	5225	-10
Rajasthan	Hanumangarh	B.T. Cotton	5345	5250	95
	Rawatsar	B.T. Cotton	5250	5280	-30
Madhya Pradesh	Khandwa	Mech-1	4800	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	NA	4600	-
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	5359	5339	20
	Hubli	D.C.H.	5501	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5150	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	5-Feb-18	3-Feb-18	
Punjab	Bhatinda	J-34	4265	4275	-10
	Abohar	J-34	4270	4260	10
	Mansa	J-34	4250	4240	10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4250	4250	Unch
Rajasthan	Sri-Ganganagar	J-34	4014	3995	19

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Feb-18	3-Feb-18	
Gujarat	Ahmedabad	Shankar-6	51000	59500	-8500
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	3000	5150	-2150
	Patan	B.T. Cotton	3453	4939	-1486
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	125	NA	-
	Dhrol	B.T. Cotton	NR	534	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	500	1500	-1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	4250	2550
	Fatehabad	B.T. Cotton	300	450	-150
	Jind	B.T. Cotton	187	170	17
	Uchana	B.T. Cotton	2060	1265	795
	Dabwali	B.T. Cotton	625	400	225
Rajasthan	Hanumangarh	B.T. Cotton	100	1700	-1600
	Rawatsar	B.T. Cotton	1000	1000	Unch
Madhya Pradesh	Khandwa	Mech-1	400	Closed	-
	Khargaon	Mech-1	NR	Closed	-
Maharashtra	Amravati	Mech-1	18000	14000	4000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	5868	-
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	3525	2760	765
	Hubli	D.C.H.	28	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	997	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	5-Feb-18	3-Feb-18	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	680	1190	-510
	Mansa	J-34	680	510	170
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
				3-Feb-18	2-Feb-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40900	40900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41400	41400	Unch
J-34(202)	26mm	3.5 - 4.9	23	39600	39600	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39200	39200	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	40300	40300	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41700	41700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42500	42500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	56000	56000	Unch

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

Centre	Unit	Price		Change
		5-Feb-18	3-Feb-18	
Rajkot	Rs. /10 Kg.	695	690	5
New Delhi	Rs. /10 Kg.	695	695	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	715	715	Unch

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

Centre	Unit	Price		Change
		5-Feb-18	3-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1681	1698	-17
Akola	Rs./Qtl	14734	1738	12996

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 5-February-2018

Index	RMB/Ton	Change
CCIndex(328)	15716	Unch
CCIndex(527)	14709	Unch
CCIndex(229)	16247	-1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 2-February-2018

Index	Cents/lb	Change
FC Index (S)	92.42	0.92
FC Index (M)	88.90	0.85
FC Index (L)	86.78	1.00

Cotlook Index: As on 2-February-2018

Cotlook Indices	Cents/Pound	Change
A-Index	89.05	1.20

USDA Cotton Spot Rates: As on 2-February-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	77.80	80.05	6
North Delta	76.30	78.05	NIL
South Delta	76.30	78.05	NIL
East TX-OK	73.75	75.50	1591
West Texas	72.50	74.50	2598
Desert SW	72.55	76.55	51
SJ Valley	73.30	82.20	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.): Ason2-February-2018

Contract	Open	High	Low	Close	Change
Mar-18	78.45	78.82	77.23	77.30	-1.05

May-18	79.50	79.89	78.46	78.61	-0.84
Jul-18	80.24	80.64	79.22	79.46	-0.78
Oct-18	75.89	75.89	75.89	75.89	0.13
Dec-18	75.31	75.68	74.70	75.08	-0.34
Mar-19	75.60	75.89	75.00	75.44	-0.28

Pakistan Cotton Spot rates: As on 3-February-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7300	145	7445
Equivalent	40 Kgs	7823	155	7978

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