

### Domestic Fundamentals:

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

**In The News:** Since the introduction of Bt cotton in 2002, there has been a near doubling of cotton production in the country from 158 lakh bales in 2001-02 to 351 lakh bales in 2016-17, and increase in productivity from 308 kg/ha in 2001-02 to 568 kg/ha in 2016 17.

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 4<sup>th</sup> 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.

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)	6	970	975.5	970	973.5	2029	-704	7027	57

  

Spread	Cont (C1)		
Spot	-54.5	-	-
	-	-	-

  

Updated at 05:00 pm as on 07-Feb-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	110	19820	19950	19810	19890	1006	-594	8914	-75
Mar-18	130	20080	20160	20070	20130	314	-283	1558	12

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

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

\* Updated at 05:00 pm as on 07-Feb 2018

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	7-Feb-18	6-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5050	5100	-50
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5150	NR	-
	Patan	B.T. Cotton	5195	5250	-55
	Kadi	B.T. Cotton	5075	5000	75
	Deesa	B.T. Cotton	NA	5000	-
	Dhrol	B.T. Cotton	5025	5000	25
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5300	5300	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5250	5220	30
	Fatehabad	B.T. Cotton	5260	5300	-40
	Jind	B.T. Cotton	NR	5325	-
	Uchana	B.T. Cotton	5249	5300	-51
	Dabwali	B.T. Cotton	5140	5150	-10
Rajasthan	Hanumangarh	B.T. Cotton	5200	5220	-20
	Rawatsar	B.T. Cotton	5150	5150	Unch
Madhya Pradesh	Khandwa	Mech-1	NR	4800	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	4800	5000	-200
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4720	4750	-30
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	5349	-
	Hubli	D.C.H.	NA	5461	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5150	-
<b>Commodity</b>	<b>Lint</b>		<b>Prices (Rs./Maund)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>7-Feb-18</b>	<b>6-Feb-18</b>	
Punjab	Bhatinda	J-34	4205	4225	-20
	Abohar	J-34	4220	4220	Unch
	Mansa	J-34	4200	4200	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4200	4210	-10
Rajasthan	Sri-Ganganagar	J-34	4841	4042	799

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>7-Feb-18</b>	<b>6-Feb-18</b>	
Gujarat	Ahmedabad	Shankar-6	34000	42500	-8500
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	3400	NR	-
	Patan	B.T. Cotton	2904	3018	-114
	Kadi	B.T. Cotton	35000	35000	Unch
	Deesa	B.T. Cotton	NA	350	-
	Dhrol	B.T. Cotton	423	385	38
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	700	1000	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3400	4250	-850
	Fatehabad	B.T. Cotton	500	400	100
	Jind	B.T. Cotton	NR	179	-
	Uchana	B.T. Cotton	1270	1115	155
	Dabwali	B.T. Cotton	325	250	75
Rajasthan	Hanumangarh	B.T. Cotton	1000	800	200
	Rawatsar	B.T. Cotton	400	600	-200
Madhya Pradesh	Khandwa	Mech-1	NR	600	-
	Khargaon	Mech-1	NR	NR	-

<b>Maharashtra</b>	Amravati	Mech-1	15000	16000	<b>-1000</b>
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	4185	5351	<b>-1166</b>
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	NA	2300	-
	Hubli	D.C.H.	NA	38	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	645	-
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>7-Feb-18</b>	<b>6-Feb-18</b>	
<b>Punjab</b>	Bhatinda	J-34	5950	5100	<b>850</b>
	Abohar	J-34	850	680	<b>170</b>
	Mansa	J-34	510	510	<b>Unch</b>
<b>Haryana</b>	Sirsa	J-34	510	510	<b>Unch</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	400	500	<b>-100</b>

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				6-Feb-18	5-Feb-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40900	40900	<b>Unch</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41400	41400	<b>Unch</b>
J-34(202)	26mm	3.5 - 4.9	23	39500	39600	<b>-100</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38600	38800	<b>-200</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	40000	40100	<b>-100</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41700	41700	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42500	42500	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	56000	56000	<b>Unch</b>

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

Centre	Unit	Price		Change
		7-Feb-18	6-Feb-18	
Rajkot	Rs. /10 Kg.	695	695	<b>Unch</b>
New Delhi	Rs. /10 Kg.	695	692	<b>3</b>
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	715	715	<b>Unch</b>

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

Centre	Unit	Price		Change
		7-Feb-18	6-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1656	1667	-11
Akola	Rs./Qtl	1700	1709	-9

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 7-February-2018**

Index	RMB/Ton	Change
CCIndex(328)	15700	-16
CCIndex(527)	14709	Unch
CCIndex(229)	16242	-5
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 7-February-2018**

Index	Cents/lb	Change
FC Index (S)	91.10	-0.23
FC Index (M)	87.58	-0.22
FC Index (L)	85.28	-0.25

**Cotlook Index: As on 6-February-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	87.20	-0.90

**USDA Cotton Spot Rates: As on 6-February-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.94	76.69	NIL
North Delta	76.94	75.19	NIL
South Delta	76.94	75.19	NIL
East TX-OK	75.00	73.25	5895
West Texas	74.00	72	2311
Desert SW	75.44	71.44	NIL
SJ Valley	81.09	72.19	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.): As on 6-February-2018**

Contract	Open	High	Low	Close	Change
18-Mar	76.55	76.80	75.85	76.19	-0.38
18-May	77.90	78.10	77.24	77.38	-0.52
18-Jul	78.82	78.96	78.22	78.37	-0.47
18-Oct	75.78	75.78	75.78	75.78	0.11
18-Dec	74.74	74.99	74.31	74.87	0.12
19-Mar	75.02	75.40	74.80	75.34	0.17

**Pakistan Cotton Spot rates: As on 6-February-2018**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7200	145	7345
Equivalent	40 Kgs	7716	155	7871

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