

Domestic Fundamentals:

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

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 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.

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)	10.5	977.5	987	970	985.5	4488	2459	7316	289

Spread	Cont (C1)		
Spot	-43	-	-
	-	-	-

Updated at 05:00 pm as on 08-Feb-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	140	19940	20140	19880	20120	1559	553	8756	-158
Mar-18	130	20160	20330	20090	20330	752	438	1855	297

Spread	Feb 18	Mar 18	-	-	--	--
Spot				-	-	-
Feb-18	-190			-	-	-

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

* Updated at 05:00 pm as on 08-Feb 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	8-Feb-18	7-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5200	5050	150
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5125	5150	-25
	Patan	B.T. Cotton	5225	5195	30
	Kadi	B.T. Cotton	5150	5075	75
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	4970	5025	-55
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	5200	5250	-50
	Fatehabad	B.T. Cotton	5380	5260	120
	Jind	B.T. Cotton	5470	NR	-
	Uchana	B.T. Cotton	5259	5249	10
	Dabwali	B.T. Cotton	5115	5140	-25
Rajasthan	Hanumangarh	B.T. Cotton	5280	5200	80
	Rawatsar	B.T. Cotton	5150	5150	Unch
Madhya Pradesh	Khandwa	Mech-1	NR	NR	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	4800	4800	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4700	4720	-20
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	5229	-
	Hubli	D.C.H.	5289	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5100	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	8-Feb-18	7-Feb-18	
Punjab	Bhatinda	J-34	4235	4205	30
	Abohar	J-34	4240	4220	20
	Mansa	J-34	4200	4200	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4200	4200	Unch
Rajasthan	Sri-Ganganagar	J-34	3948	3948	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	8-Feb-18	7-Feb-18	
Gujarat	Ahmedabad	Shankar-6	42500	34000	8500
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	4400	3400	1000
	Patan	B.T. Cotton	5671	2904	2767
	Kadi	B.T. Cotton	30000	35000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	461	423	38
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	500	700	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	3400	1700
	Fatehabad	B.T. Cotton	550	500	50
	Jind	B.T. Cotton	179	NR	-
	Uchana	B.T. Cotton	1265	1270	-5
	Dabwali	B.T. Cotton	250	325	-75
Rajasthan	Hanumangarh	B.T. Cotton	2000	1000	1000
	Rawatsar	B.T. Cotton	350	400	-50
Madhya Pradesh	Khandwa	Mech-1	NR	NR	-
	Khargaon	Mech-1	NR	NR	-

Maharashtra	Amravati	Mech-1	14000	15000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	3736	4185	-449
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	3151	-
	Hubli	D.C.H.	82	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	735	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	8-Feb-18	7-Feb-18	
Punjab	Bhatinda	J-34	5100	5950	-850
	Abohar	J-34	935	850	85
	Mansa	J-34	680	510	170
Haryana	Sirsa	J-34	510	510	Unch
Rajasthan	Sri-Ganganagar	J-34	500	400	100

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				7-Feb-18	6-Feb-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40700	40900	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41200	41400	-200
J-34(202)	26mm	3.5 - 4.9	23	39300	39500	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38600	38600	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	40000	40000	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
		8-Feb-18	7-Feb-18	
Rajkot	Rs. /10 Kg.	695	695	Unch
New Delhi	Rs. /10 Kg.	695	695	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-

Mumbai	Rs. /10 Kg.	710	715	-5
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Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		8-Feb-18	7-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1648	1656	-8
Akola	Rs./Qtl	1688	1700	-12

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 8-February-2018

Index	RMB/Ton	Change
CCIndex(328)	15698	1
CCIndex(527)	14709	Unch
CCIndex(229)	16243	1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 8-February-2018

Index	Cents/lb	Change
FC Index (S)	90.82	-0.28
FC Index (M)	87.20	-0.38
FC Index (L)	84.85	-0.43

Cotlook Index: As on 7-February-2018

Cotlook Indices	Cents/Pound	Change
A-Index	86.95	-0.25

USDA Cotton Spot Rates: As on 7-February-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.71	76.46	330
North Delta	76.71	74.96	NIL
South Delta	76.71	74.96	NIL
East TX-OK	75.00	73.25	2492
West Texas	74.25	72.25	5845
Desert SW	75.21	71.21	NIL
SJ Valley	80.86	71.96	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 7-February-2018

Contract	Open	High	Low	Close	Change
18-Mar	76.11	76.93	75.82	75.96	-0.23
18-May	77.47	78.16	77.21	77.29	-0.09
18-Jul	78.45	79.04	78.24	78.31	-0.06
18-Oct	75.78	75.78	75.78	75.78	Unch
18-Dec	74.85	75.19	74.68	75.03	0.16
19-Mar	75.53	75.54	75.27	75.54	0.20

Pakistan Cotton Spot rates: As on 7-February-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7100	145	7245
Equivalent	40 Kgs	7609	155	7764

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