

### Domestic Fundamentals:

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

**In The News:** In benchmark market of Rajkot (Gujarat), market prices are trading near Rs.5100/quintal compared to Rs.5150/quintal previous week. Last year during same period prices were trading near Rs 5800-Rs 6000/quintal.

After pink bollworm attack, the Maharashtra government has decided to promote short duration varieties of Bt cotton from the next cotton year. Because the short duration varieties get adequate soil moisture during the critical flowering and fruiting phase and escape bollworm attacks during squaring-flowering stage.

Andhra Pradesh nearly 15 percent of its cotton acreage was planted with an unapproved variety of genetically modified seeds developed by Monsanto.

The Cotton Association of India (CAI) has, in its latest estimate, lowered the crop size by 8 lakh bales (of 170 kg each) to 367 lakh bales against the earlier estimate of 375 lakh bales. For the 2017-18 season, beginning from October 1, 2017, the CAI reduced the crop estimate to 367 lakh bales citing severe infestation of cotton with pink bollworm.

The projected Balance Sheet drawn by the CAI estimated total cotton supply for the season at 417 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 estimated 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. The carry over stock at the end of this season on 30<sup>th</sup> September 2018 is estimated to be 42 lakh bales.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	-4	947	955	944.5	945.5	3309	-970	7358	153

  

Spread	Cont (C1)		
Spot	-66	-	-
	-	-	-

  

Updated at 05:00 pm as on 16–Feb-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	-100	19540	19640	19460	19460	1115	-317	7268	-260
Mar-18	-80	19820	19880	19700	19720	902	-155	3668	271

Spread	Feb 18	Mar 18	-	-	--	--
Spot				-	-	-
Feb-18	-240			-	-	-

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

\* Updated at 05:00 pm as on 16-Feb 2018

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	16-Feb-18	15-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5100	5200	<b>-100</b>
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5100	5105	<b>-5</b>
	Patan	B.T. Cotton	5120	5140	<b>-20</b>
	Kadi	B.T. Cotton	5200	5200	<b>Unch</b>
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	4980	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5225	5250	<b>-25</b>
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5115	5125	<b>-10</b>
	Fatehabad	B.T. Cotton	5160	5180	<b>-20</b>
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	5170	5220	<b>-50</b>
	Dabwali	B.T. Cotton	5070	5070	<b>Unch</b>
Rajasthan	Hanumangarh	B.T. Cotton	5140	5200	<b>-60</b>
	Rawatsar	B.T. Cotton	4975	4975	<b>Unch</b>
Madhya Pradesh	Khandwa	Mech-1	4700	4800	<b>-100</b>
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5000	<b>Unch</b>
	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	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5250	5350	-100
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	16-Feb-18	15-Feb-18	
Punjab	Bhatinda	J-34	4180	4185	-5
	Abohar	J-34	4180	4190	-10
	Mansa	J-34	4150	4170	-20
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4170	4180	-10
Rajasthan	Sri-Ganganagar	J-34	3901	3948	-47

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Feb-18	15-Feb-18	
Gujarat	Ahmedabad	Shankar-6	62900	59500	3400
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	4900	5250	-350
	Patan	B.T. Cotton	4114	4885	-771
	Kadi	B.T. Cotton	50000	55000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	502	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	800	600	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2550	2550	Unch
	Fatehabad	B.T. Cotton	1100	900	200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	1480	1270	210
	Dabwali	B.T. Cotton	350	325	25
Rajasthan	Hanumangarh	B.T. Cotton	2000	1800	200
	Rawatsar	B.T. Cotton	500	800	-300
Madhya Pradesh	Khandwa	Mech-1	600	500	100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	16000	16000	Unch
	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	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1750	4080	-2330
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>16-Feb-18</b>	<b>15-Feb-18</b>	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	1020	340	680
	Mansa	J-34	680	765	-85
Haryana	Sirsa	J-34	1360	1360	Unch
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
				15-Feb-18	14-Feb-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41400	41700	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41900	42200	-300
J-34(202)	26mm	3.5 - 4.9	23	39000	39300	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38200	38300	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	40000	40000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42000	42100	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42700	42800	-100
DCH-32(107)	34mm	3.0 - 3.8	33	55900	56000	-100

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

Centre	Unit	Price		Change
		16-Feb-18	15-Feb-18	
Rajkot	Rs. /10 Kg.	700	700	Unch
New Delhi	Rs. /10 Kg.	695	695	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	720	712	8

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

Centre	Unit	Price		Change
		16-Feb-18	15-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1631	1630	1
Akola	Rs./Qtl	1687	1679	8

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 14-February-2018**

Index	RMB/Ton	Change
CCIndex(328)	15689	1
CCIndex(527)	14699	1
CCIndex(229)	16248	3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

**China Foreign Cotton (FCE) Index : As on 14-February-2018**

Index	Cents/lb	Change
FC Index (S)	90.85	Unch
FC Index (M)	87.35	Unch
FC Index (L)	85.10	Unch

**Cotlook Index: As on 15-February-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	86.85	0.50

**USDA Cotton Spot Rates: As on 15-February-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	76.27	78.52	NIL
North Delta	74.77	76.52	NIL
South Delta	74.77	76.52	NIL
East TX-OK	70.75	72.50	4233
West Texas	70.00	72.00	4136
Desert SW	71.52	75.52	893
SJ Valley	72.27	81.17	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.): Ason15-February-2018**

Contract	Open	High	Low	Close	Change
18-Mar	75.60	76.29	75.11	75.41	-0.19
18-May	76.91	77.65	76.44	76.77	-0.20
18-Jul	77.99	78.57	77.46	77.76	-0.24
18-Oct	76.26	76.26	76.26	76.26	-0.14
18-Dec	75.54	75.80	75.16	75.49	-0.15
19-Mar	76.00	76.00	75.84	75.84	-0.01

**Pakistan Cotton Spot rates: As on15-February-2018**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7000	145	7145
Equivalent	40 Kgs	7502	155	7657

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