

### **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.



### **International Fundamentals:**

According to the National Cotton Council's 37th Annual Early Season Planting Intentions Survey, U.S. cotton producers intend to plant 13.1 million cotton acres this spring, up 3.7 percent from 2017.

The Karachi Cotton Association on Monday fixed the official spot rate, or base price, for Grade 3 cotton at 7,502 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 7,250 to 6,300 rupees per maund.

The 2017/18 U.S. cotton supply and demand forecasts show slightly lower exports and higher ending stocks relative to last month. Production and domestic mill use are unchanged. The export forecast is lowered 300,000 bales to 14.5 million, based on a lagging pace of shipments to date. Ending stocks are now estimated at 6.0 million bales, equivalent to 34% of total disappearance.

The 2017/18 world cotton forecasts include slightly higher production, lower consumption and higher ending stocks. World production is 400,000 bales higher than last month, as higher estimates for China, Brazil and South Africa offset lower expectations for India and Australia. Global consumption is forecast 325,000 bales lower, as decreases for India and Thailand offset an increase for Vietnam.

World ending stocks are projected 760,000 bales higher, as a 1.1-million-bale increase in China's projected ending stocks – and higher U.S. stocks – offsets declines for India, Australia, Turkmenistan, Tajikistan and Vietnam.

Vietnam imported 140,000 tons of cotton worth 244 million U.S. dollars in January, up 49.7 percent in volume and 51.1 percent in value against January 2017. Vietnam, whose yarn industry heavily depends on imported cotton, has imported increasingly bigger volumes of the material in recent years to feed its growing textile and garment production and export, noting that its biggest cotton import market is the United States, tailed by India, Australia, Brazil and Cote d'Ivoire.

Global cotton production is increasing at a faster rate. Current estimates for the season have production at 25.5 million tons and consumption at 25.4 million tons. Production increases are coming off the gains in planted area rather than yields this season. Global average yield for 2017/18 is currently being estimated at 773 kilograms per hectare, a 1% decrease from the previous season with a 12% growth in planted area. India and Pakistan, with estimated area increases of 16% and 24% respectively, encountered production losses from pink bollworm this season.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract Cont. (C1)	+/- -4	Open 947	High 955	<b>Low</b> 944.5	<b>Close</b> 945.5	Volume 3309	Change -970	<b>OI</b> 7358	Change 153
Spread Cont (C1)									
Spot		-6							
	Updated at 05:00 pm as on 16–Feb-2018								



Contract	+/-	Open	High	Low	Close	ces in Rs/	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	
6 1		1.40	<b>NA</b> 40							
Spread	Fe	b 18	<b>Mar 18</b>							
									-	
Spot		240							-	
Spot Feb-18	-2	2 <del>-1</del> 0		(NB: Spread Basis = Spot- Near Month Future)						
Feb-18			ear Month F	uture)						

# **DOMESTIC PRICES AND ARRIVALS**

## **Cotton Prices at Key Spot Markets:**

Commodity		Kapas	Prices (R	s./Quintal)	Changa
State	Centre	Variety	16-Feb-18	15-Feb-18	Change
	Ahmedabad	Shankar-6	5100	5200	-100
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5100	5105	-5
Gujarat	Patan	B.T. Cotton	5120	5140	-20
	Kadi	B.T. Cotton	5200	5200	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	4980	-
Dunish	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5225	5250	-25
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5115	5125	-10
Haryana	Fatehabad	B.T. Cotton	5160	5180	-20
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	5170	5220	-50
	Dabwali	B.T. Cotton	5070	5070	Unch
Deigothon	Hanumangarh	B.T. Cotton	5140	5200	-60
Rajasthan	Rawatsar	B.T. Cotton	4975	4975	Unch
Madhya Dradach	Khandwa	Mech-1	4700	4800	-100
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5000	Unch
Wanarashtra	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ollai Fiauesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-



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	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	5250	5350	-100
Karnataka	Hubli	D.C.H.	NA	NA	-
кагпатака	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (R	s /Maund)	
Commodity			i iices (ix.	s./iviauriuj	Chango
State	Centre	Variety	16-Feb-18	15-Feb-18	Change
•					Change -5
•	Centre	Variety	16-Feb-18	15-Feb-18	
•	Centre Bhatinda	Variety J-34	<b>16-Feb-18</b> 4180	<b>15-Feb-18</b> 4185	-5
State	Centre Bhatinda Abohar	J-34 J-34	<b>16-Feb-18</b> 4180 4180	<b>15-Feb-18</b> 4185 4190	-5 -10
State	Centre Bhatinda Abohar Mansa	J-34 J-34 J-34	<b>16-Feb-18</b> 4180 4180 4150	<b>15-Feb-18</b> 4185 4190 4170	-5 -10 -20
State	Centre Bhatinda Abohar Mansa Muktsar	J-34 J-34 J-34 J-34	16-Feb-18 4180 4180 4150 NR	15-Feb-18 4185 4190 4170 NR	-5 -10 -20

## **Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals	(Quintal)	Change
State	Centre	Variety	16-Feb-18	15-Feb-18	Change
	Ahmedabad	Shankar-6	62900	59500	3400
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	4900	5250	-350
Gujarat	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	-
Dunish	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	800	600	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	2550	2550	Unch
Haryana	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
Kajasillali	Rawatsar	B.T. Cotton	500	800	-300
Madhya Pradesh	Khandwa	Mech-1	600	500	100
wadnya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	16000	16000	Unch
wanarashta	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-



	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Andhra Pradesh	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	1750	4080	-2330
Karnataka	Hubli	D.C.H.	NA	NA	-
Namatana	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	16-Feb-18	15-Feb-18	Change
	Bhatinda	J-34	5100	5100	Unch
Punjab	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:							
Trada Nama	Stanla	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Change	
Trade Name	Staple	Wilcronaire	GPT	15-Feb-18	14-Feb-18	Change	
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	Pri	Change	
Centre	Offic	16-Feb-18	15-Feb-18	Change
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						
	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals			
Growth Area	cen	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 S	(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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