

### **Domestic Fundamentals:**

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

**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.

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:**

In January 2018, Brazil exported 79,100 tons of cotton, earning \$130.3 million with average price of \$1,646.50 per ton.

The US department of agriculture (USDA) has lowered the country's cotton export target for 2017-18 to 14.5 million bales of 480 lb each, down 300,000 bales from the previous forecast. To meet the revised forecast, however, exports will still have to average over 350,000 bales per week.

International cotton prices are continuing to movie upward. With the Cotlook index during January averaging 91 cents per pound. This compares with a 2017-18 season average of 82.4 cents per pound.

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.

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	+/-	Open	High	Low	Close	Volume	Change	01	Change
Cont. (C1)	-8.5	944.5	944.5	927	932.5	3815	-1512	7442	148
Spread		Cont	(C1)						
Spot		-66							
			Update	ed at 05:00	pm as on 1	9-Feb-2018			



MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	01	Change
Feb-18	-20	19550	19590	19430	19510	2458	266	6138	-723
Mar-18	20	19820	19850	19690	19790	2407	416	4752	834
Crawood	<b>F</b> o	b 18	May 10						
Spread Spot	re	0 1 Q	Mar 18						
Feb-18	-	260							
(NB: Spread Basis = Spot- Near Month Future) * Updated at 05:00 pm as on 19–Feb 2018									

# DOMESTIC PRICES AND ARRIVALS

## Cotton Prices at Key Spot Markets:

Commodity		Kapas	Prices (R	Prices (Rs./Quintal)		
State	Centre	Variety	19-Feb-18	17-Feb-18	Change	
	Ahmedabad	Shankar-6	5150	5100	50	
	Gondal	Shankar-6	NR	NR	-	
	Rajkot	B.T. Cotton	5110	5100	10	
Gujarat	Patan	B.T. Cotton	5150	5130	20	
	Kadi	B.T. Cotton	5125	5150	-25	
	Deesa	B.T. Cotton	NA	NA	-	
	Dhrol	B.T. Cotton	NR	NR	-	
Duniah	Fazilika	B.T. Cotton	NR	NR	-	
Punjab	Muktsar	B.T. Cotton	NR	NR	-	
	Bhiwani	B.T. Cotton	5225	NR	-	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	NR	5110	-	
Haryana	Fatehabad	B.T. Cotton	5140	5130	10	
	Jind	B.T. Cotton	NA	NA	-	
	Uchana	B.T. Cotton	NA	5128	-	
	Dabwali	B.T. Cotton	NR	5025	-	
Deieethen	Hanumangarh	B.T. Cotton	5100	5100	Unch	
Rajasthan	Rawatsar	B.T. Cotton	NR	NR	-	
Madhua Dradaah	Khandwa	Mech-1	NR	Closed	-	
Madhya Pradesh	Khargaon	Mech-1	NR	Closed	-	
Maharashtra	Amravati	Mech-1	Closed	5000	-	
wandraShtra	Jamner	Medium Staple	NA	NA	-	
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-	



	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4650	NR	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	4809	NA	-
Andhra Pradesh	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	5140	NA	-
Karnataka	Hubli	D.C.H.	2870	NA	-
Karnataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lin	t	Prices (R	Change	
State	Centre	Variety	19-Feb-18	17-Feb-18	Change
	Bhatinda	J-34	4175	4175	Unch
	Abohar	J-34	4175	4175	Unch
Punjab	Mansa	J-34	4140	4150	-10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4160	4160	Unch
Rajasthan	Sri-Ganganagar	J-34	3901	NR	-

# **Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals	(Quintal)	Change
State	Centre	Variety	19-Feb-18	17-Feb-18	Change
	Ahmedabad	Shankar-6	59500	51000	8500
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	2900	3700	-800
Gujarat	Patan	B.T. Cotton	1813	2520	-707
	Kadi	B.T. Cotton	40000	35000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NR	-
Develot	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	500	NR	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	1700	-
Haryana	Fatehabad	B.T. Cotton	600	800	-200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	1310	-
	Dabwali	B.T. Cotton	NR	460	-
Deletter	Hanumangarh	B.T. Cotton	2000	3000	-1000
Rajasthan	Rawatsar	B.T. Cotton	NR	NR	-
Madhua Dradaah	Khandwa	Mech-1	NR	Closed	-
Madhya Pradesh	Khargaon	Mech-1	NR	Closed	-



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Mahanaktua	Amravati	Mech-1	Closed	12000	-
Maharashtra	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NR	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Anunra Prauesn	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	3342	NA	-
Karnataka	Hubli	D.C.H.	24	NA	-
Namalaka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lin	t	Arrivals (Quintal)		Change
State	Centre	Variety	19-Feb-18	17-Feb-18	Change
	Bhatinda	J-34	5950	5950	Unch
Punjab	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	1360	1360	Unch
Rajasthan	Sri-Ganganagar	J-34	700	NR	-

Cotton Association of India Spot Rates:						
Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				16-Feb-18	15-Feb-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41300	41400	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41800	41900	-100
J-34(202)	26mm	3.5 - 4.9	23	38900	39000	-100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38100	38200	-100
Shankar-6(105)	29mm	3.5 – 4.9	28	39900	40000	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42000	42000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42700	42700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	55900	55900	Unch

# **Cotton Seed Oil Prices**

# Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Pri	Change	
Centre	Unit	19-Feb-18	17-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	720	Unch



### Cotton Seed Oil Seed Cake Prices

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

Centre	Unit	Price		Change
		19-Feb-18	17-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1606	1629	-23
Akola	Rs./Qtl	1670	1686	-16

### 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 16-February-2018					
Cotlook Indices	Cents/Pound	Change			
A-Index	86.60	-0.25			

USDA Cotton Spot Rates: As on 16-February-2018						
	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals			
Growth Area	cen	Bales				
Southeast	76.66	78.91	NIL			
North Delta	75.16	76.91	NIL			
South Delta	75.16	76.91	NIL			
East TX-OK	71.75	73.50	4295			
West Texas	71.00	73.00	1696			
Desert SW	71.91	75.91	161			
SJ Valley	72.66	81.56	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.): Ason16-February-2018							
Contract	Open	High	Low	Close	Change		
18-Mar	75.34	75.87	75.13	75.72	0.31		
18-May	76.76	77.25	76.47	77.16	0.39		
18-Jul	77.73	78.22	77.5	78.12	0.36		
18-Oct	76.38	76.38	76.38	76.38	0.12		
18-Dec	75.30	75.65	75.25	75.62	0.13		
19-Mar	75.91	75.91	75.60	75.89	0.05		

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

#### Disclaimer

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