

### Domestic Fundamentals:

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

**In The News:** The arrivals in Punjab were recorded over 7.2 million bales recording a percentage increase of 4.84 per cent. The arrivals in Sindh were recorded at 4,252,414 bales, 12.32 per cent higher as compared to corresponding period of last year.

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.

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	OI	Change
Cont. (C1)	10	932	942	932	940	2673	-1142	7173	-269

  

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

Updated at 05:00 pm as on 20-Feb-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	170	19500	19640	19460	19610	2128	-330	4884	-1254
Mar-18	190	19770	19920	19740	19890	1912	-495	5518	766

Spread	Feb 18	Mar 18	-	-	--	--
Spot				-	-	-
Feb-18	-280			-	-	-

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

\* Updated at 05:00 pm as on 20-Feb 2018

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	20-Feb-18	19-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5200	5150	50
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	Closed	5110	-
	Patan	B.T. Cotton	5085	5150	-65
	Kadi	B.T. Cotton	5150	5125	25
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5225	5225	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	NR	-
	Fatehabad	B.T. Cotton	5110	5140	-30
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	5127	5162	-35
	Dabwali	B.T. Cotton	4955	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	5060	5100	-40
	Rawatsar	B.T. Cotton	4950	NR	-
Madhya Pradesh	Khandwa	Mech-1	4600	NR	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	NR	Closed	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	3620	4650	-1030

Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	4809	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5140	-
	Hubli	D.C.H.	5251	2870	2381
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Feb-18	19-Feb-18	
Punjab	Bhatinda	J-34	4165	4175	-10
	Abohar	J-34	4170	4175	-5
	Mansa	J-34	4140	4140	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4150	4160	-10
Rajasthan	Sri-Ganganagar	J-34	4630	3901	729

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Feb-18	19-Feb-18	
Gujarat	Ahmedabad	Shankar-6	56100	59500	-3400
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	Closed	2900	-
	Patan	B.T. Cotton	1720	1813	-93
	Kadi	B.T. Cotton	35000	40000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	400	500	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1020	NR	-
	Fatehabad	B.T. Cotton	800	600	200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	960	1255	-295
	Dabwali	B.T. Cotton	500	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	1500	2000	-500
	Rawatsar	B.T. Cotton	500	NR	-
Madhya Pradesh	Khandwa	Mech-1	300	NR	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	NR	Closed	-
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9725	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	NA	3342	-
	Hubli	D.C.H.	60	24	36
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1162	-
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>20-Feb-18</b>	<b>19-Feb-18</b>	
Punjab	Bhatinda	J-34	5950	5950	Unch
	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	850	1360	-510
Rajasthan	Sri-Ganganagar	J-34	1200	700	500

<b>Cotton Association of India Spot Rates:</b>						
<b>Trade Name</b>	<b>Staple</b>	<b>Micronaire</b>	<b>Strength/ GPT</b>	<b>Rs. Per Candy</b>	<b>Rs. Per Candy</b>	<b>Change</b>
				<b>19-Feb-18</b>	<b>17-Feb-18</b>	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41300	41300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41800	41800	Unch
J-34(202)	26mm	3.5 - 4.9	23	38900	38900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38100	38100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	39600	39900	-300
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	Price		Change
		20-Feb-18	19-Feb-18	
Rajkot	Rs. /10 Kg.	705	700	5
New Delhi	Rs. /10 Kg.	700	695	5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	725	720	5

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

Centre	Unit	Price		Change
		20-Feb-18	19-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1596	1606	-10
Akola	Rs./Qtl	1664	1670	-6

**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 19-February-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	86.85	0.25

**USDA Cotton Spot Rates: As on 16-February-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		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.): Ason19-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	75.3	75.65	75.25	75.62	0.13
19-Mar	75.91	75.91	75.6	75.89	0.05

**Pakistan Cotton Spot rates: As on19-February-2018**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6900	145	7045
Equivalent	40 Kgs	7395	155	7550

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