

### Domestic Fundamentals:

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

**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)	-4.5	950	952	938	940.50	4069	1396	7285	112

  

Spread	Cont (C1)		
Spot	-78	-	-
	-	-	-

Updated at 05:00 pm as on 21-Feb-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	90	19990	20080	19930	19990	2414	286	3455	-1429
Mar-18	100	20280	20350	20200	20270	2448	536	5849	331

  

Spread	Feb 18	Mar 18	-	-	--	--
Spot				-	-	-
Feb-18	-270			-	-	-

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

\* Updated at 05:00 pm as on 21-Feb 2018

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

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	21-Feb-18	20-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5200	5200	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5125	Closed	-
	Patan	B.T. Cotton	NR	5085	-
	Kadi	B.T. Cotton	5200	5150	50
	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	5250	5225	25
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	5100	Unch
	Fatehabad	B.T. Cotton	5180	5110	70
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	5126	5127	-1
	Dabwali	B.T. Cotton	5054	4955	99
Rajasthan	Hanumangarh	B.T. Cotton	5250	5060	190
	Rawatsar	B.T. Cotton	5025	4950	75
Madhya Pradesh	Khandwa	Mech-1	4500	4600	-100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	NR	NR	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4660	4620	40

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	5213	NA	-
	Hubli	D.C.H.	NA	5251	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5105	NA	-
<b>Commodity</b>	<b>Lint</b>		<b>Prices (Rs./Maund)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>21-Feb-18</b>	<b>20-Feb-18</b>	
Punjab	Bhatinda	J-34	4210	4165	45
	Abohar	J-34	4230	4170	60
	Mansa	J-34	4200	4140	60
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4215	4150	65
Rajasthan	Sri-Ganganagar	J-34	3901	3901	Unch

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>21-Feb-18</b>	<b>20-Feb-18</b>	
Gujarat	Ahmedabad	Shankar-6	51000	56100	-5100
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	2850	Closed	-
	Patan	B.T. Cotton	NR	1720	-
	Kadi	B.T. Cotton	35000	35000	Unch
	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	800	400	400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	680	1020	-340
	Fatehabad	B.T. Cotton	800	800	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	960	-
	Dabwali	B.T. Cotton	375	500	-125
Rajasthan	Hanumangarh	B.T. Cotton	1800	1500	300
	Rawatsar	B.T. Cotton	100	500	-400
Madhya Pradesh	Khandwa	Mech-1	300	300	Unch
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	NR	NR	-
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	9091	9725	-634
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	2798	NA	-
	Hubli	D.C.H.	NA	60	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1050	NA	-
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>21-Feb-18</b>	<b>20-Feb-18</b>	
Punjab	Bhatinda	J-34	5950	5950	Unch
	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	1020	850	170
Haryana	Sirsa	J-34	510	850	-340
Rajasthan	Sri-Ganganagar	J-34	500	1200	-700

<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>20-Feb-18</b>	<b>19-Feb-18</b>	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41500	41300	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42000	41800	200
J-34(202)	26mm	3.5 - 4.9	23	38700	38900	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37900	38100	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	39400	39600	-200
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	55400	55900	-500

### Cotton Seed Oil Prices

#### Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		21-Feb-18	20-Feb-18	
Rajkot	Rs. /10 Kg.	700	705	-5
New Delhi	Rs. /10 Kg.	700	700	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	727	725	2

### Cotton Seed Oil Seed Cake Prices

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

Centre	Unit	Price		Change
		21-Feb-18	20-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1595	1596	-1
Akola	Rs./Qtl	1666	1664	2

**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 20-February-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	86.85	Unch

**USDA Cotton Spot Rates: As on 20-February-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	78.46	80.71	599
North Delta	76.96	78.71	NIL
South Delta	76.96	78.71	NIL
East TX-OK	73.50	75.25	15896
West Texas	72.75	74.75	17735
Desert SW	73.71	77.71	700
SJ Valley	74.46	83.36	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.): Ason 20-February-2018**

Contract	Open	High	Low	Close	Change
18-Mar	75.70	78.31	75.60	77.51	1.79
18-May	77.01	79.74	76.96	78.96	1.80
18-Jul	77.93	80.51	77.91	79.71	1.59
18-Oct	76.85	77.01	76.85	77.01	0.63
18-Dec	75.51	76.00	75.51	76.00	0.38
19-Mar	75.80	76.25	75.80	76.25	0.36

**Pakistan Cotton Spot rates: As on 20-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

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2018 Indian Agribusiness Systems Ltd.