

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed Range-bound on Thursday.

In The News: Though India's market share in home textile imports by the US remained flat at 33% during 2017, its share (in US dollar terms) in cotton sheets increased 1% to 50% during the year. India has been consistently gaining a 1% market share in cotton sheets every year since 2012.

Infestation of pink bollworm in major cotton producing regions of the country has led to an increase in cotton prices since mid-December 2017. This coupled with a 2% reduction in cotton crop estimate for 2017-18 season (October-September) and the 6.4% y-o-y appreciation of the rupee continues to remain an overhang for the textiles sector.

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 30th 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:

The Karachi Cotton Association on Wednesday fixed the official spot rate, or base price, for Grade 3 cotton at 7,395 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 7,200 rupees per maund.

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 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	OI	Change
Cont. (C1)	-10	944	946.5	934	935	3338	-731	7373	88
Spread		Cont	(C1)						
Spot		-78	.5						
Updated at 05:00 pm as on 22–Feb-2018									
			Update	ed at 05:00	pm as on 2	22-Feb-2018			



Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	50	20070	20140	20040	20060	1735	-679	2474	-981
Mar-18	70	20290	20410	20290	20350	3060	612	6401	552
Spread	Fe	eb 18	Mar 18		-	-			
Spread Spot	Fe	eb 18	Mar 18		-	-			
		270	Mar 18		-			 -	 - -

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Ka	ipas	Prices (R	s./Quintal)	Chango
State	Centre	Variety	22-Feb-18	21-Feb-18	Change
	Ahmedabad	Shankar-6	5250	5200	50
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5120	5125	-5
Gujarat	Patan	B.T. Cotton	NR	5175	-
	Kadi	B.T. Cotton	5150	5200	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5085	NR	-
Duniah	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5250	5250	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5140	5100	40
Haryana	Fatehabad	B.T. Cotton	5180	5180	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	5126	-
	Dabwali	B.T. Cotton	5055	5054	1
Rajasthan	Hanumangarh	B.T. Cotton	5250	5250	Unch
Rajasillali	Rawatsar	B.T. Cotton	NR	5025	-
Madhya Pradesh	Khandwa	Mech-1	4700	4500	200
Wadiiya Fradesii	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	4900	NR	-
ivialidi dəlili d	Jamner	Medium Staple	NR	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ollai Fiduesii	Hathras	Desi	NA	NA	-





Telangana	Adilabad	Un-Ginned	NR	4660	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	3809	NA	-
Andhra Pradesh	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NA	5213	-
Karnataka	Hubli	D.C.H.	4701	NA	-
Namataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5105	_
	rtaioriai	11 44 000011	1471	0100	
Commodity	Lin			s./Maund)	Change
Commodity State					Change
<u> </u>	Lin		Prices (R	s./Maund)	Change 25
<u> </u>	Lin Centre	Variety	Prices (R: 22-Feb-18	s./Maund) 21-Feb-18	
<u> </u>	Centre Bhatinda	Variety J-34	Prices (R: 22-Feb-18 4235	21-Feb-18 4210	25
State	Centre Bhatinda Abohar	Variety J-34 J-34	Prices (Rs 22-Feb-18 4235 4240	21-Feb-18 4210 4230	25 10
State	Centre Bhatinda Abohar Mansa	J-34 J-34 J-34	Prices (Rs 22-Feb-18 4235 4240 4200	21-Feb-18 4210 4230 4200	25 10 Unch
State	Centre Bhatinda Abohar Mansa Muktsar	J-34 J-34 J-34 J-34 J-34	Prices (R: 22-Feb-18 4235 4240 4200 NR	21-Feb-18 4210 4230 4200 NR	25 10 Unch

Cotton Arrivals in Key Centers:

Commodity	K	Kapas	Arrivals	(Quintal)	Change
State	Centre	Variety	22-Feb-18	21-Feb-18	Change
	Ahmedabad	Shankar-6	59500	51000	8500
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	3550	2850	700
Gujarat	Patan	B.T. Cotton	NR	2620	-
	Kadi	B.T. Cotton	50000	35000	15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	715	NR	-
Demiah	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	1000	800	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	680	6120
Haryana	Fatehabad	B.T. Cotton	700	800	-100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	275	375	-100
Daisathan	Hanumangarh	B.T. Cotton	2000	1800	200
Rajasthan	Rawatsar	B.T. Cotton	NR	100	-
Madhya Bradach	Khandwa	Mech-1	400	300	100
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	9000	NR	-



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	Jamner	Medium Staple	NR	NA	-	
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-	
Ottai i radesii	Hathras	Desi	NA	NA	-	
Telangana	Adilabad	Un-Ginned	NR	9091	-	
	Guntur	Un-Ginned	NA	NA	-	
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-	
Andria Fradesh	Krishna	Un-Ginned	NA	NA	-	
	East Godavari	Un-Ginned	NA	NA	-	
	Bijapur	Bunny	NA	2798	-	
Karnataka	Hubli	D.C.H.	80	NA	-	
Namalaka	Hubli	B.T. Cotton	NA	NA	-	
	Raichur	H-44 Cotton	NA	1050	-	
Commodity		Lint	Arrivals	Arrivals (Quintal)		
State	Centre	Variety	22-Feb-18	21-Feb-18	Change	
	Bhatinda	J-34	5950	5950	Unch	
Punjab	Abohar	J-34	680	1020	-340	
	Mansa	J-34	680	1020	-340	
Haryana	Sirsa	J-34	1020	510	510	
Rajasthan	Sri-Ganganagar	J-34	600	500	100	

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:						
Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				21-Feb-18	20-Feb-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41900	41500	400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42400	42000	400
J-34(202)	26mm	3.5 - 4.9	23	39100	38700	400
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38200	37900	300
Shankar-6(105)	29mm	3.5 – 4.9	28	39700	39400	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42300	42000	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43000	42700	300
DCH-32(107)	34mm	3.0 - 3.8	33	55400	55400	Unch

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Pri	ice	Change
Centre	Onit	22-Feb-18	21-Feb-18	Change
Rajkot	Rs. /10 Kg.	710	700	10



New Delhi	Rs. /10 Kg.	705	700	5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	727	727	Unch

Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		22-Feb-18	21-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1588	1595	-7
Akola	Rs./Qtl	1651	1666	-15

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 22-February-2018				
Index	RMB/Ton	Change		
CCIndex(328)	15689	Unch		
CCIndex(527)	14699	Unch		
CCIndex(229)	16250	2		
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 21-February-2018				
Cotlook Indices Cents/Pound Change				
A-Index	88.70	1.85		

USDA Cotton Spot Rates: As on 21-February-2018				
Growth Area	Leaf 4 to Staple 34	Leaf 4 to Staple 34 Leaf 3 to Staple 35		
	cent	Bales		
Southeast	79.89	82.14	47	
North Delta	78.39	80.14	NIL	
South Delta	78.39	80.14	NIL	
East TX-OK	74.25	76.00	12025	
West Texas	73.50	75.50	11208	



Desert SW	75.39	79.39	500
SJ Valley	75.89	84.79	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 21-February-2018					
Contract	Open	High	Low	Close	Change
18-Mar	77.50	79.10	77.45	78.91	1.40
18-May	78.57	80.52	78.57	80.39	1.43
18-Jul	79.66	81.18	79.55	81.10	1.39
18-Oct	77.94	77.94	77.94	77.94	0.93
18-Dec	75.90	76.44	75.83	76.40	0.40
19-Mar	76.17	76.60	76.15	76.60	0.35

Pakistan Cotton S	(in Pakistan Rupees)			
Product	uct Rate for Ex-Gin Price Up Country Sales		Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6900	145	7045
Equivalent	40 Kgs	7395	155	7550

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