

Domestic Fundamentals:

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

In The News: Future price of cotton (at NCDEX, Feb contract) closed lower this week at Rs.930 per maund (of 20 kg each) which was Rs 934 a week earlier.

As per Maharashtra new textile policy, cooperative spinning mills and power loom societies will be allowed to be privatized, provided they are ready to return to the government the equity, loan and interest, the new policy will exist for next five years from 2018 to 2023

Lint prices remained weak during the week owing to weak tone prevailing in market. Average price of lint at Sirsa during the week was Rs. 4185 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4232.

All India cotton daily arrivals reported from 110-120k bales against an average of roughly 140k bales last week. Arrivals are mainly slowing down in the northern states. As per trade sources, 24.50 million domestic bales arrived until 20th February and export business continues in the Vietnam, Bangladesh and the Pakistani mainly for March shipment.

India's market share in home textile imports by the US remaining 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 the 1% market share in cotton sheets every year since 2012.

India's export of cotton sheets to the US (in US dollar terms) increased 1.9% year-on-year \$717million in 2017. Indecently cotton sheet exports from the rest of the world. The world to the US declined 0.3% during the year.

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.

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.

Updated at 05:00 pm as on 26-Feb-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	310	20100	20350	20100	20310	1089	-989	1540	-138
Mar-18	290	20390	20630	20390	20590	2560	-1149	7392	392

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

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

* Updated at 05:00 pm as on 26-Feb 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Feb-18	24-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5120	5105	15
	Patan	B.T. Cotton	NR	5140	-
	Kadi	B.T. Cotton	5100	5200	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5020	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5250	5250	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5050	5140	-90
	Fatehabad	B.T. Cotton	5100	5180	-80
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	5089	-
	Dabwali	B.T. Cotton	5000	4950	50
Rajasthan	Hanumangarh	B.T. Cotton	5150	5120	30
	Rawatsar	B.T. Cotton	NR	4950	-
Madhya Pradesh	Khandwa	Mech-1	NR	Closed	-
	Khargaon	Mech-1	NR	Closed	-
Maharashtra	Amravati	Mech-1	5000	4900	100
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	4575	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4211	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5250	5290	-40
	Hubli	D.C.H.	5150	5150	Unch
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5100	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	26-Feb-18	24-Feb-18	
Punjab	Bhatinda	J-34	4220	4200	20
	Abohar	J-34	4230	4200	30
	Mansa	J-34	4200	4170	30
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4210	4180	30
Rajasthan	Sri-Ganganagar	J-34	3901	3901	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Feb-18	24-Feb-18	
Gujarat	Ahmedabad	Shankar-6	59500	51000	8500
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	4650	3650	1000
	Patan	B.T. Cotton	NR	3423	-
	Kadi	B.T. Cotton	60000	70000	-10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	542	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1500	1000	500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	1741	5059
	Fatehabad	B.T. Cotton	700	600	100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	345	-
	Dabwali	B.T. Cotton	400	300	100
Rajasthan	Hanumangarh	B.T. Cotton	1500	1000	500
	Rawatsar	B.T. Cotton	NR	500	-
Madhya Pradesh	Khandwa	Mech-1	NR	Closed	-
	Khargaon	Mech-1	NR	Closed	-

Maharashtra	Amravati	Mech-1	4000	6000	-2000
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	12634	-
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	4018	2408	1610
	Hubli	D.C.H.	86	88	-2
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1162	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-Feb-18	24-Feb-18	
Punjab	Bhatinda	J-34	5950	5950	Unch
	Abohar	J-34	680	850	-170
	Mansa	J-34	680	510	170
Haryana	Sirsa	J-34	1020	510	510
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				24-Feb-18	23-Feb-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42000	41900	100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42500	42400	100
J-34(202)	26mm	3.5 - 4.9	23	39200	39100	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38100	38000	100
Shankar-6(105)	29mm	3.5 - 4.9	28	39800	39700	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41900	41800	100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42600	42500	100
DCH-32(107)	34mm	3.0 - 3.8	33	55100	55000	100

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		26-Feb-18	24-Feb-18	
Rajkot	Rs. /10 Kg.	710	710	Unch
New Delhi	Rs. /10 Kg.	708	710	-2
Hyderabad	Rs. /10 Kg.	NR	NR	-

Mumbai	Rs. /10 Kg.	740	727	13
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Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		26-Feb-18	24-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1515	1572	-57
Akola	Rs./Qtl	1555	1616	-61

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 26-February-2018

Index	RMB/Ton	Change
CCIndex(328)	15683	-8
CCIndex(527)	14680	-9
CCIndex(229)	16237	-13
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 23-February-2018

Index	Cents/lb	Change
FC Index (S)	92.02	1.17
FC Index (M)	87.98	0.63
FC Index (L)	85.88	0.78

Cotlook Index: As on 23-February-2018

Cotlook Indices	Cents/Pound	Change
A-Index	89.20	-1.00

USDA Cotton Spot Rates: As on 23-February-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	81.84	84.09	137
North Delta	80.34	82.09	NIL
South Delta	80.34	82.09	NIL
East TX-OK	74.50	76.25	6850
West Texas	74.00	76.00	9370
Desert SW	76.59	80.59	6602
SJ Valley	77.09	85.99	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 23-February-2018

Contract	Open	High	Low	Close	Change
18-Mar	80.75	81.50	80.25	81.45	0.91
18-May	79.37	81.42	79.37	81.34	1.87
18-Jul	80.38	82.15	80.31	82.07	1.66
18-Oct	77.02	78.04	77.02	78.04	0.62
18-Dec	76.30	76.68	76.18	76.60	0.24
19-Mar	76.49	76.88	76.41	76.80	0.21

Pakistan Cotton Spot rates: As on 24-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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