

Domestic Fundamentals:

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

In The News: with domestic cotton prices falling to 40000 rupees per candy and the rupee weakening by over 2.5 %, export enquires have increased in the last couple of weeks.

Prices of cotton in major spot markets have fallen 4-5 % in the last 2-3 weeks. Since Oct 1 , export orders for over 3.0 mln bales have been shipped, of which 2.8mln have been shipped out so far.

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 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 27-Feb-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	-50	20240	20290	20160	20180	577	-512	1316	-224
Mar-18	-40	20530	20590	20450	20480	1790	-770	7518	126

Spread	Feb 18	Mar 18	-	-	--	--
Spot				-	-	-
Feb-18	-300			-	-	-

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

* Updated at 05:00 pm as on 27-Feb 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	27-Feb-18	26-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5155	5120	35
	Patan	B.T. Cotton	NR	5105	-
	Kadi	B.T. Cotton	5100	5100	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5000	5020	-20
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5200	5250	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5050	5050	Unch
	Fatehabad	B.T. Cotton	5100	5100	Unch
	Jind	B.T. Cotton	5012	NA	-
	Uchana	B.T. Cotton	NR	5116	-
	Dabwali	B.T. Cotton	4970	5000	-30
Rajasthan	Hanumangarh	B.T. Cotton	5150	5150	Unch
	Rawatsar	B.T. Cotton	500	NR	-
Madhya Pradesh	Khandwa	Mech-1	4920	NR	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5000	Unch
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4590	4560	30
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	4211	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5230	5250	-20
	Hubli	D.C.H.	NA	5150	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5010	5100	-90
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	27-Feb-18	26-Feb-18	
Punjab	Bhatinda	J-34	4235	4220	15
	Abohar	J-34	4240	4230	10
	Mansa	J-34	4250	4200	50
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4230	4210	20
Rajasthan	Sri-Ganganagar	J-34	Closed	3901	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Feb-18	26-Feb-18	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	2900	4650	-1750
	Patan	B.T. Cotton	NR	3120	-
	Kadi	B.T. Cotton	80000	60000	20000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	484	542	-58
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1500	1500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	8500	6800	1700
	Fatehabad	B.T. Cotton	700	700	Unch
	Jind	B.T. Cotton	128	NA	-
	Uchana	B.T. Cotton	NR	1330	-
	Dabwali	B.T. Cotton	300	400	-100
Rajasthan	Hanumangarh	B.T. Cotton	1800	1500	300
	Rawatsar	B.T. Cotton	500	NR	-
Madhya Pradesh	Khandwa	Mech-1	400	NR	-
	Khargaon	Mech-1	NR	NR	-

Maharashtra	Amravati	Mech-1	2000	4000	-2000
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8870	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	2845	4018	-1173
	Hubli	D.C.H.	NA	86	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1245	1162	83
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	27-Feb-18	26-Feb-18	
Punjab	Bhatinda	J-34	5950	5950	Unch
	Abohar	J-34	680	680	Unch
	Mansa	J-34	850	680	170
Haryana	Sirsa	J-34	850	1020	-170
Rajasthan	Sri-Ganganagar	J-34	Closed	500	-

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:						
Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				26-Feb-18	24-Feb-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42000	42000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42500	42500	Unch
J-34(202)	26mm	3.5 - 4.9	23	39500	39200	300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38400	38100	300
Shankar-6(105)	29mm	3.5 - 4.9	28	40100	39800	300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42200	41900	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42900	42600	300
DCH-32(107)	34mm	3.0 - 3.8	33	55100	55100	Unch

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

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

Mumbai	Rs. /10 Kg.	742	740	2
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Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		27-Feb-18	26-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1512	1515	-3
Akola	Rs./Qtl	1550	1555	-5

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 27-February-2018

Index	RMB/Ton	Change
CCIndex(328)	15683	Unch
CCIndex(527)	14681	1
CCIndex(229)	16239	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 26-February-2018

Index	Cents/lb	Change
FC Index (S)	94.19	2.17
FC Index (M)	90.62	2.64
FC Index (L)	88.88	3.00

Cotlook Index: As on 26-February-2018

Cotlook Indices	Cents/Pound	Change
A-Index	91.10	1.90

USDA Cotton Spot Rates: As on 26-February-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	82.65	84.90	NIL
North Delta	81.15	82.90	NIL
South Delta	81.15	82.90	NIL
East TX-OK	75.00	76.75	6469
West Texas	74.50	76.50	7401
Desert SW	77.40	81.40	2050
SJ Valley	77.90	86.80	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 26-February-2018

Contract	Open	High	Low	Close	Change
18-Mar	81.75	81.75	80.55	81.7	0.25
18-May	81.34	82.52	81	82.15	0.81
18-Jul	81.77	83.14	81.69	82.75	0.68
18-Oct	78.28	78.28	78.28	78.28	0.24
18-Dec	76.71	76.95	76.52	76.87	0.27
19-Mar	76.8	77.12	76.8	77.05	0.25

Pakistan Cotton Spot rates: As on 26-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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