

Domestic Fundamentals:

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

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 28-Feb-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-18	210	20220	20600	20180	20380	732	155	1177	-139
Mar-18	230	20450	20680	20440	20640	2889	1099	7695	177

Spread	Feb 18	Mar 18	-	-	--	--
Spot				-	-	-
Feb-18	-80			-	-	-

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

* Updated at 05:00 pm as on 28-Feb 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Feb-18	27-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5145	5155	-10
	Patan	B.T. Cotton	NR	5120	-
	Kadi	B.T. Cotton	5100	5100	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5005	5000	5
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5200	5200	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5020	5050	-30
	Fatehabad	B.T. Cotton	5100	5100	Unch
	Jind	B.T. Cotton	5300	5012	288
	Uchana	B.T. Cotton	NR	5097	-
	Dabwali	B.T. Cotton	4980	4970	10
Rajasthan	Hanumangarh	B.T. Cotton	5140	5150	-10
	Rawatsar	B.T. Cotton	5000	5000	Unch
Madhya Pradesh	Khandwa	Mech-1	4900	4920	-20
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	4800	5000	-200
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4575	4590	-15
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	3412	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5230	-
	Hubli	D.C.H.	4100	4801	-701
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5000	5010	-10
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Feb-18	27-Feb-18	
Punjab	Bhatinda	J-34	4225	4235	-10
	Abohar	J-34	4230	4240	-10
	Mansa	J-34	4200	4250	-50
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4215	4230	-15
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Feb-18	27-Feb-18	
Gujarat	Ahmedabad	Shankar-6	56100	59500	-3400
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	3300	2900	400
	Patan	B.T. Cotton	NR	2878	-
	Kadi	B.T. Cotton	60000	80000	-20000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	413	484	-71
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1700	1500	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	8500	-1700
	Fatehabad	B.T. Cotton	700	700	Unch
	Jind	B.T. Cotton	75	75	Unch
	Uchana	B.T. Cotton	NR	1145	-
	Dabwali	B.T. Cotton	350	300	50
Rajasthan	Hanumangarh	B.T. Cotton	1500	1800	-300
	Rawatsar	B.T. Cotton	1000	500	500
Madhya Pradesh	Khandwa	Mech-1	500	400	100
	Khargaon	Mech-1	NR	NR	-

Maharashtra	Amravati	Mech-1	2000	2000	Unch
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	7738	8870	-1132
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	2080	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	2845	-
	Hubli	D.C.H.	18	6	12
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1237	1245	-8
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Feb-18	27-Feb-18	
Punjab	Bhatinda	J-34	5950	5950	Unch
	Abohar	J-34	850	680	170
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	850	850	Unch
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:						
Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				27-Feb-18	26-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	39700	39500	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39000	38400	600
Shankar-6(105)	29mm	3.5 - 4.9	28	40800	40100	700
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42500	42200	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43300	42900	400
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
		28-Feb-18	27-Feb-18	
Rajkot	Rs. /10 Kg.	710	710	Unch
New Delhi	Rs. /10 Kg.	710	710	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-

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

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		28-Feb-18	27-Feb-18	
Mahesana (Kadi)	Rs./Qtl	1521	1512	9
Akola	Rs./Qtl	1550	1550	Unch

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 28-February-2018

Index	RMB/Ton	Change
CCIndex(328)	15685	2
CCIndex(527)	14682	1
CCIndex(229)	16239	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 27-February-2018

Index	Cents/lb	Change
FC Index (S)	94.81	0.62
FC Index (M)	91.25	0.63
FC Index (L)	89.41	0.53

Cotlook Index: As on 27-February-2018

Cotlook Indices	Cents/Pound	Change
A-Index	91.80	0.70

USDA Cotton Spot Rates: As on 27-February-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	82.75	85.00	845
North Delta	81.25	83.00	281
South Delta	81.25	83.00	NIL
East TX-OK	75.25	77.00	2180
West Texas	74.75	76.75	5587
Desert SW	77.50	81.50	1103
SJ Valley	78.00	86.90	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 27-February-2018

Contract	Open	High	Low	Close	Change
18-Mar	81	81.76	81	81.76	0.06
18-May	82.15	82.44	81.15	82.25	0.1
18-Jul	82.77	82.95	81.82	82.79	0.04
18-Oct	78.47	78.47	78.47	78.47	0.19
18-Dec	76.82	77.05	76.68	77.05	0.18
19-Mar	77.06	77.23	76.86	77.23	0.18

Pakistan Cotton Spot rates: As on 27-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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