

Domestic Fundamentals:

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

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.

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% yo-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.



International Fundamentals:

China, the leading export customer of U.S. cotton thus far this season, imported 133,747 metric tons of cotton (614,289 480-pound bales) in January, up 33.7% from the prior month and 16.4% from a year ago, according to custom figures released earlier this week.

The US Department of Agriculture, unveiling its first full estimates for world cotton supply and demand in 2018-19, forecast that the Cotlook A index of physical prices will "decline about 10 cents to 73 cents a pound" on a year-average basis.

Cotton Outlook forecast world demand next season at 26.71m tonnes (122.7m bales) in line with the USDA estimate.

The USDA forecast India's production at 27.5m bales, a drop of 1m bales year on year, seeing a fall in sowings.

Dull trading continued at the Karachi Cotton Exchange on Saturday, while spot rates remained firm. The spot rates remained unchanged at Rs 6,900/maund (37.324kg) and Rs7,395/40kg.

In January 2018, Brazil exported 79,100 tons of cotton, earning \$130.3 million with average price of \$1,646.50 per ton.

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)	7	940	948	939	946.5	1968	-487	7163	-225
Spread		Cont	(C1)						
Spot		-8:	1						
Updated at 05:00 pm as on 01–Mar-2018									



MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-18	190	20220	20600	20180	20360	732	0	1177	0
Apr-18	140	20900	21080	20900	21040	206	-2683	802	-6893
•							,		
Spread	M	ar 18							
Spot									-
Mar-18	-4	480							-
(NB: Spread Basis = Spot- Near Month Future)									
* Updated at 05:00 pm as on 01–Mar 2018									

Cotton Prices at Key Spot Markets:

Commodity		Kapas	Prices (R	Rs./Quintal)	Oh an ma
State	Centre	Variety	1-Mar-18	28-Feb-18	Change
	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5125	5145	-20
Gujarat	Patan	B.T. Cotton	NR	5075	-
	Kadi	B.T. Cotton	5100	5100	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5000	5005	-5
B 'al.	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	NR	5200	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	5020	-
Haryana	Fatehabad	B.T. Cotton	5110	5100	10
	Jind	B.T. Cotton	5120	5300	-180
	Uchana	B.T. Cotton	NR	5099	-
	Dabwali	B.T. Cotton	5015	4980	35
Daisathau	Hanumangarh	B.T. Cotton	Closed	5140	-
Rajasthan	Rawatsar	B.T. Cotton	Closed	5000	-
Madhua Daadaah	Khandwa	Mech-1	Closed	4900	-
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Mahanaahtua	Amravati	Mech-1	Closed	4800	-
Maharashtra	Jamner	Medium Staple	NR	NR	-
Litter Dredeck	Hathras	B.T. Cotton	NR	NA	-
Uttar Pradesh	Hathras	Desi	NR	NA	-
Telangana	Adilabad	Un-Ginned	NR	4575	-
	Guntur	Un-Ginned	NA	NA	-
Andhua Duadada	Kurnool	Un-Ginned	4011	3412	599
Andhra Pradesh	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-



	Bijapur	Bunny	NA	5250	-
Karnataka	Hubli	D.C.H.	5051	4100	951
Namataka	Hubli	B.T. Cotton	5500	NA	-
	Raichur	H-44 Cotton	5020	5000	20
Commodity	ı	Lint	Prices (F	Rs./Maund)	Change
State	Centre	Variety	1-Mar-18	28-Feb-18	Change
	Bhatinda	J-34	4500	4225	275
	Abohar	J-34	4250	4230	20
Punjab	Mansa	J-34	4235	4200	35
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4230	4215	15
Rajasthan	Sri-Ganganagar	J-34	3948	Closed	-

Cotton Arrivals in Key Centers:

Commodity	Ka	apas	Arrivals	(Quintal)	Change
State	Centre	Variety	1-Mar-18	28-Feb-18	Change
	Ahmedabad	Shankar-6	59500	56100	3400
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	1850	3300	-1450
Gujarat	Patan	B.T. Cotton	NR	2670	-
	Kadi	B.T. Cotton	40000	60000	-20000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	138	413	-275
Duniah	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	NR	1700	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	6800	-
Haryana	Fatehabad	B.T. Cotton	500	700	-200
	Jind	B.T. Cotton	78	75	3
	Uchana	B.T. Cotton	NR	1045	-
	Dabwali	B.T. Cotton	225	350	-125
Rajasthan	Hanumangarh	B.T. Cotton	Closed	1500	-
Kajasillali	Rawatsar	B.T. Cotton	Closed	1000	-
Madhya Pradesh	Khandwa	Mech-1	Closed	500	-
Madnya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	Closed	2000	-
Wanarashtra	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NA	-
Ullai Fiauesii	Hathras	Desi	NR	NA	-
Telangana	Adilabad	Un-Ginned	NR	7738	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-



	Kurnool	Un-Ginned	58	2080	-2022
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NA	3387	-
Karnataka	Hubli	D.C.H.	42	18	24
Namataka	Hubli	B.T. Cotton	2	NA	-
	Raichur	H-44 Cotton	367	1237	-870
		11 11 0011011	00.		0.0
Commodity	Lin			(Quintal)	
Commodity State					Change
	Lin	t	Arrivals	(Quintal)	
	Lin Centre	t Variety	Arrivals	(Quintal) 28-Feb-18	Change
State	Centre Bhatinda	Variety J-34	Arrivals 1-Mar-18 1700	(Quintal) 28-Feb-18 5950	Change -4250
State	Centre Bhatinda Abohar	Variety J-34 J-34	Arrivals 1-Mar-18 1700 850	28-Feb-18 5950 850	Change -4250 Unch

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:								
Trade Name	Stanla	Micronaire	Micronoine Strength/	Rs. Per Candy	Rs. Per Candy	Change		
Trade Name	Staple	Wilcronaire	GPT	28-Feb-18	27-Feb-18	Change		
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	39700	Unch		
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	39000	39000	Unch		
Shankar-6(105)	29mm	3.5 – 4.9	28	40800	40800	Unch		
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42500	42500	Unch		
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43300	43300	Unch		
DCH-32(107)	34mm	3.0 - 3.8	33	54100	55100	-1000		

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Contro	l lmit	Р	rice	Chango	
Centre	Unit	1-Mar-18	28-Feb-18	Change	
Rajkot	Rs. /10 Kg.	705	710	-5	
New Delhi	Rs. /10 Kg.	Closed	710	-	
Hyderabad	Rs. /10 Kg.	NR	NR	-	
Mumbai	Rs. /10 Kg.	742	742	Unch	



Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
Centre	Offic	1-Mar-18	28-Feb-18	Change
Mahesana (Kadi)	Rs./Qtl	NR	1521	-
Akola	Rs./Qtl	1560	1550	10

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 01-March-2018		
Index	RMB/Ton	Change
CCIndex(328)	15696	11
CCIndex(527)	14683	1
CCIndex(229)	16246	7
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 28-February-2018					
Index	Cents/lb	Change			
FC Index (S)	94.81	Unch			
FC Index (M)	91.25	Unch			
FC Index (L)	89.41	Unch			

Cotlook Index: As on 28-February-2018						
Cotlook Indices	Cents/Pound	Change				
A-Index	91.70	-0.10				

USDA Cotton Spot Rates: As on 28-February-2018						
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals			
	cen	Bales				
Southeast	85.68	83.43	617			
North Delta	83.68	81.93	545			
South Delta	83.68	81.93	NIL			
East TX-OK	77.75	76.00	5978			
West Texas	77.50	75.50	5417			
Desert SW	82.18	78.18	5000			
SJ Valley	87.58	78.68	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 28-February-2018							
Contract	Open	High	Low	Close	Change		
18-Mar	81.75	81.75	81.5	81.65	-0.11		
18-May	82.27	83.05	81.8	82.93	0.68		
18-Jul	82.79	83.36	82.32	83	0.50		
18-Oct	78.3	78.3	78.3	78	-0.17		
18-Dec	77	77.5	76.77	77.11	Unch		
19-Mar	77.15	77.63	76.96	77	Unch		

Pakistan Cotton S	(in Pakistan Rupees)			
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7000	145	7145
Equivalent	40 Kgs	7502	155	7657

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