

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% 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.

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	-81	-	-
	-	-	-

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	Mar 18		-	-	--	--
Spot			-	-	-	-
Mar-18	-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 (Rs./Quintal)		Change
State	Centre	Variety	1-Mar-18	28-Feb-18	
Gujarat	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5125	5145	-20
	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
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	NR	5200	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	5020	-
	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
Rajasthan	Hanumangarh	B.T. Cotton	Closed	5140	-
	Rawatsar	B.T. Cotton	Closed	5000	-
Madhya Pradesh	Khandwa	Mech-1	Closed	4900	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	Closed	4800	-
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NA	-
	Hathras	Desi	NR	NA	-
Telangana	Adilabad	Un-Ginned	NR	4575	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	4011	3412	599
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-

Karnataka	Bijapur	Bunny	NA	5250	-
	Hubli	D.C.H.	5051	4100	951
	Hubli	B.T. Cotton	5500	NA	-
	Raichur	H-44 Cotton	5020	5000	20
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	1-Mar-18	28-Feb-18	
Punjab	Bhatinda	J-34	4500	4225	275
	Abohar	J-34	4250	4230	20
	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	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Mar-18	28-Feb-18	
Gujarat	Ahmedabad	Shankar-6	59500	56100	3400
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	1850	3300	-1450
	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
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	NR	1700	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	6800	-
	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	-
	Rawatsar	B.T. Cotton	Closed	1000	-
Madhya Pradesh	Khandwa	Mech-1	Closed	500	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	Closed	2000	-
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NA	-
	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	-
Karnataka	Bijapur	Bunny	NA	3387	-
	Hubli	D.C.H.	42	18	24
	Hubli	B.T. Cotton	2	NA	-
	Raichur	H-44 Cotton	367	1237	-870
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Mar-18	28-Feb-18	
Punjab	Bhatinda	J-34	1700	5950	-4250
	Abohar	J-34	850	850	Unch
	Mansa	J-34	680	850	-170
Haryana	Sirsa	J-34	680	850	-170
Rajasthan	Sri-Ganganagar	J-34	500	Closed	-

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:						
Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				28-Feb-18	27-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	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:

Centre	Unit	Price		Change
		1-Mar-18	28-Feb-18	
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
		1-Mar-18	28-Feb-18	
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
	cents/lb.		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 Spot rates: As on 28-February-2018

(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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2018 Indian Agribusiness Systems Ltd.