

## Domestic Fundamentals:

**Market Outlook:** Cotton spot market prices were noticed firm on Monday.

**In The News:** With domestic cotton prices falling to 40,000 rupees per candy (1 candy = 356 kg) and the rupee weakening by over 2.5%, have made Indian cotton competitive in the global market.

Since Oct 1, cotton export orders for over 3.0 mln bales (1 bale = 170 kg) have been signed, of which 2.8 mln have been shipped out so far. Recent revival in export orders is likely to take overall export orders comfortably above 3.5 mln bales and actual shipments above 3.0 mln bales by the end of February month.

The export price of cotton has remained at high level. 30S pure cotton yarn prices remained at 3.35USD/kg, compared with same time in 2016 was 3.40 USD/kg. in the Chinese market, Indian cotton import prices remained unchanged, with Indonesia and Vietnam rising 4-5 cents respectively.

Domestic cotton prices were reported slightly higher but adequate supplies and slow demand from mills have limited the upside price potential. All India cotton arrivals stood at an average of 130,000 to 135,000 bales/day. It includes 40,000 in Maharashtra, 35,000 in Gujarat, 44,000 in Andhra Pradesh/Telangana state and 16,000 bales in other states.

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 30<sup>th</sup> 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)	5.5	941	946	940.5	942	1258	-1737	7113	-49

  

Spread	Cont (C1)		
Spot	-88	-	-
	-	-	-

  

Updated at 05:00 pm as on 05-Mar-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-18	80	20690	20780	20660	20700	1208	476	7457	6280
Apr-18	70	20980	21020	20920	20980	375	286	1020	92
Spread	Mar 18			-	-	--	--		
Spot					-	-	-		
Mar-18	-240				-	-	-		

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

\* Updated at 05:00 pm as on 05-Mar 2018

**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	5-Mar-18	3-Mar-18	
Gujarat	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5150	5170	-20
	Patan	B.T. Cotton	NR	5040	-
	Kadi	B.T. Cotton	5200	5200	Unch
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	5065	4875	190
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muksar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5200	5200	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	Closed	-
	Fatehabad	B.T. Cotton	5160	5125	35
	Jind	B.T. Cotton	5340	5170	170
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	4995	4975	20
Rajasthan	Hanumangarh	B.T. Cotton	5200	Closed	-
	Rawatsar	B.T. Cotton	5050	5000	50
Madhya Pradesh	Khandwa	Mech-1	4900	Closed	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	NA	-
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	Closed	-
	Hathras	Desi	NA	Closed	-
Telangana	Adilabad	Un-Ginned	4580	4575	5
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	NA	NA	-
	Hubli	D.C.H.	NA	5100	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	5-Mar-18	3-Mar-18	
Punjab	Bhatinda	J-34	4250	4235	15
	Abohar	J-34	4260	4235	25
	Mansa	J-34	4240	Closed	-
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4245	4220	25
Rajasthan	Sri-Ganganagar	J-34	3948	3901	47

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Mar-18	3-Mar-18	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	2200	1225	975
	Patan	B.T. Cotton	NR	397	-
	Kadi	B.T. Cotton	60000	70000	-10000
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	236	54	182
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1200	1500	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6800	Closed	-
	Fatehabad	B.T. Cotton	600	450	150
	Jind	B.T. Cotton	75	50	25
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	300	125	175
Rajasthan	Hanumangarh	B.T. Cotton	1600	Closed	-
	Rawatsar	B.T. Cotton	400	4000	-3600
Madhya Pradesh	Khandwa	Mech-1	200	Closed	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	4000	NA	-
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	Closed	-

	Hathras	Desi	NA	Closed	-
Telangana	Adilabad	Un-Ginned	NA	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	NA	NA	-
	Hubli	D.C.H.	NA	166	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>5-Mar-18</b>	<b>3-Mar-18</b>	
Punjab	Bhatinda	J-34	5100	3400	1700
	Abohar	J-34	1020	680	340
	Mansa	J-34	1020	Closed	-
Haryana	Sirsa	J-34	850	340	510
Rajasthan	Sri-Ganganagar	J-34	500	300	200

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				3-Mar-18	1-Mar-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42100	42100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42600	42600	Unch
J-34(202)	26mm	3.5 - 4.9	23	39800	39800	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39100	39100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	40900	40900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42600	42600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43400	43400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	54100	54100	Unch

### Cotton Seed Oil Prices

#### Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		5-Mar-18	3-Mar-18	
Rajkot	Rs. /10 Kg.	705	NA	-
New Delhi	Rs. /10 Kg.	735	NA	-
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	765	NA	-

Cotton Seed Oil Seed Cake Prices
Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		5-Mar-18	3-Mar-18	
Mahesana (Kadi)	Rs./Qtl	1523	NR	-
Akola	Rs./Qtl	1549	1553	-4

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 05-March-2018

Index	RMB/Ton	Change
CCIndex(328)	15699	2
CCIndex(527)	14683	Unch
CCIndex(229)	16249	1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 01-March-2018

Index	Cents/lb	Change
FC Index (S)	95.61	0.80
FC Index (M)	91.96	0.71
FC Index (L)	90.16	0.75

Cotlook Index: As on 02-March-2018

Cotlook Indices	Cents/Pound	Change
A-Index	91.20	-1.20

USDA Cotton Spot Rates: As on 02-March-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	82.59	84.84	NIL
North Delta	81.09	82.84	NIL
South Delta	81.09	82.84	NIL
East TX-OK	76.50	78.25	1645
West Texas	76.00	78.00	999
Desert SW	77.34	81.34	778
SJ Valley	77.84	86.74	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.): Ason02-March-2018**

Contract	Open	High	Low	Close	Change
18-Mar	82.70	82.72	82.50	82.72	0.15
18-May	81.53	82.22	81.10	82.09	0.28
18-Jul	81.93	82.47	81.43	82.35	0.24
18-Oct	78.47	78.47	78.47	78.47	-0.04
18-Dec	77.00	77.28	76.81	77.05	-0.13
19-Mar	77.25	77.50	77.15	77.15	-0.31

**Pakistan Cotton Spot rates: As on03-March-2018**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7200	145	7345
Equivalent	40 Kgs	7716	155	7871

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