

Domestic Fundamentals:

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

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 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)	11.5	953.5	962.5	952	959	3688	2430	7388	275

Spread	Cont (C1)		
Spot	-67.5	-	-
	-	-	-

Updated at 05:00 pm as on 06-Mar-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-18	310	21240	21280	21060	21170	2410	1202	7485	28
Apr-18	310	21400	21460	21320	21430	531	156	1403	383

Spread	Mar 18		-	-	--	--
Spot				-	-	-
Mar-18	-180			-	-	-

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

* Updated at 05:00 pm as on 06-Mar 2018

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	6-Mar-18	5-Mar-18	
Gujarat	Ahmedabad	Shankar-6	5250	5250	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5155	5150	5
	Patan	B.T. Cotton	NR	5135	-
	Kadi	B.T. Cotton	5250	5200	50
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	5215	5065	150
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5240	5200	40
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5170	5100	70
	Fatehabad	B.T. Cotton	5200	5160	40
	Jind	B.T. Cotton	5340	5340	Unch
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	5040	4995	45
Rajasthan	Hanumangarh	B.T. Cotton	5250	5200	50
	Rawatsar	B.T. Cotton	NR	5050	-
Madhya Pradesh	Khandwa	Mech-1	NR	4900	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5050	5000	50
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4600	4580	20
Andhra Pradesh	Guntur	Un-Ginned	3300	NA	-
	Kurnool	Un-Ginned	4800	NA	-

	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5219	-
	Hubli	D.C.H.	4630	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5050	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	6-Mar-18	5-Mar-18	
Punjab	Bhatinda	J-34	4320	4250	70
	Abohar	J-34	4340	4260	80
	Mansa	J-34	4300	4240	60
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4300	4245	55
Rajasthan	Sri-Ganganagar	J-34	3948	3948	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	6-Mar-18	5-Mar-18	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	2000	2200	-200
	Patan	B.T. Cotton	NR	1731	-
	Kadi	B.T. Cotton	55000	60000	-5000
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	258	236	22
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	600	1200	-600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	7650	6800	850
	Fatehabad	B.T. Cotton	800	600	200
	Jind	B.T. Cotton	110	75	35
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	425	300	125
Rajasthan	Hanumangarh	B.T. Cotton	1500	1600	-100
	Rawatsar	B.T. Cotton	NR	400	-
Madhya Pradesh	Khandwa	Mech-1	NR	200	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	2400	4000	-1600
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	7225	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	208	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	3763	-
	Hubli	D.C.H.	64	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1230	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	6-Mar-18	5-Mar-18	
Punjab	Bhatinda	J-34	5100	5100	Unch
	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	850	1020	-170
Haryana	Sirsa	J-34	1530	850	680
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:						
Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				5-Mar-18	3-Mar-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42300	42100	200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42800	42600	200
J-34(202)	26mm	3.5 - 4.9	23	39900	39800	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38600	39100	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	40900	40900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42100	42600	-500
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
		6-Mar-18	5-Mar-18	
Rajkot	Rs. /10 Kg.	705	705	Unch
New Delhi	Rs. /10 Kg.	740	735	5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	770	765	5

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

Centre	Unit	Price		Change
		6-Mar-18	5-Mar-18	
Mahesana (Kadi)	Rs./Qtl	1507	1523	-16
Akola	Rs./Qtl	1525	1549	-24

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 06-March-2018

Index	RMB/Ton	Change
CCIndex(328)	15702	3
CCIndex(527)	14686	3
CCIndex(229)	16251	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 05-March-2018

Index	Cents/lb	Change
FC Index (S)	96.42	0.81
FC Index (M)	92.80	0.84
FC Index (L)	91.13	0.97

Cotlook Index: As on 05-March-2018

Cotlook Indices	Cents/Pound	Change
A-Index	91.45	0.25

USDA Cotton Spot Rates: As on 05-March-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	85.73	87.98	NIL
North Delta	84.23	85.98	NIL
South Delta	84.23	85.98	NIL
East TX-OK	80.00	81.75	7865
West Texas	79.50	81.50	3626
Desert SW	80.48	84.48	NIL
SJ Valley	80.98	89.88	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.): Ason05-March-2018

Contract	Open	High	Low	Close	Change
18-Mar	83.81	85.41	82.60	85.41	2.69
18-May	82.5	85.30	82.24	85.23	3.14
18-Jul	82.63	85.05	82.48	84.98	2.63
18-Oct	78.79	79.79	78.79	79.79	1.32
18-Dec	77	77.95	77.00	77.95	0.90
19-Mar	77.29	78.00	77.27	78.00	0.85

Pakistan Cotton Spot rates: As on05-March-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7100	145	7245
Equivalent	40 Kgs	7609	155	7764

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