

Domestic Fundamentals:

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

In The News: There is good demand for Indian cotton from overseas markets this season. Bangladesh, Pakistan, Vietnam, Indonesia and various other countries are buying cotton from India heavily this season. Around 40 lakh bales of cotton have been exported from country so far and another 15-20 lakh bales are expected to be exported by end of this season.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	-10.5	944.5	947.5	938	940.5	2235	-1453	7461	73

Spread	Cont (C1)		
Spot	-83.5	-	-
	-	-	-

Updated at 05:00 pm as on 07-Mar-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-18	-220	20700	20790	20620	20630	1867	-543	7558	73
Apr-18	-190	20930	21030	20880	20900	698	167	1260	-143

Spread	Mar 18		-	-	--	--
Spot				-	-	-
Mar-18	-240			-	-	-

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

* Updated at 05:00 pm as on 07-Mar 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	7-Mar-18	6-Mar-18	
Gujarat	Ahmedabad	Shankar-6	5200	5250	-50
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5170	5155	15
	Patan	B.T. Cotton	NR	5200	-
	Kadi	B.T. Cotton	5100	5100	Unch
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	5150	5215	-65
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5200	5240	-40
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5060	5170	-110
	Fatehabad	B.T. Cotton	5110	5200	-90
	Jind	B.T. Cotton	5460	5340	120
	Uchana	B.T. Cotton	NR	5190	-
	Dabwali	B.T. Cotton	5000	5040	-40
Rajasthan	Hanumangarh	B.T. Cotton	5150	5250	-100
	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	4900	NR	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5050	-50
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	4570	4600	-30
Andhra Pradesh	Guntur	Un-Ginned	NA	3300	-
	Kurnool	Un-Ginned	5015	4800	215
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5263	NA	-
	Hubli	D.C.H.	3870	4630	-760
	Hubli	B.T. Cotton	2770	NA	-
	Raichur	H-44 Cotton	5100	5050	50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	7-Mar-18	6-Mar-18	
Punjab	Bhatinda	J-34	4275	4320	-45
	Abohar	J-34	4260	4340	-80
	Mansa	J-34	4250	4300	-50
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4240	4300	-60
Rajasthan	Sri-Ganganagar	J-34	3948	3948	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	7-Mar-18	6-Mar-18	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	2400	2000	400
	Patan	B.T. Cotton	NR	1800	-
	Kadi	B.T. Cotton	50000	55000	-5000
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	236	258	-22
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1200	600	600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4000	7650	-3650
	Fatehabad	B.T. Cotton	900	800	100
	Jind	B.T. Cotton	120	110	10
	Uchana	B.T. Cotton	NR	1730	-
	Dabwali	B.T. Cotton	350	425	-75
Rajasthan	Hanumangarh	B.T. Cotton	1600	1500	100
	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	350	NR	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	2500	2400	100

	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	6861	7225	-364
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	174	208	-34
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	4826	NA	-
	Hubli	D.C.H.	8	64	-56
	Hubli	B.T. Cotton	4	NA	-
	Raichur	H-44 Cotton	1290	690	600
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	7-Mar-18	6-Mar-18	
Punjab	Bhatinda	J-34	5950	5100	850
	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	680	850	-170
Haryana	Sirsa	J-34	1700	1530	170
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
				6-Mar-18	5-Mar-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42800	42300	500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43300	42800	500
J-34(202)	26mm	3.5 - 4.9	23	40400	39900	500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38600	38600	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	41300	40900	400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42600	42100	500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43900	43400	500
DCH-32(107)	34mm	3.0 - 3.8	33	54600	54100	500

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		7-Mar-18	6-Mar-18	
Rajkot	Rs. /10 Kg.	755	705	50
New Delhi	Rs. /10 Kg.	735	740	-5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	770	770	Unch

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

Centre	Unit	Price		Change
		7-Mar-18	6-Mar-18	
Mahesana (Kadi)	Rs./Qtl	1489	1507	-18
Akola	Rs./Qtl	1517	1525	-8

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 07-March-2018

Index	RMB/Ton	Change
CCIndex(328)	15705	3
CCIndex(527)	14689	3
CCIndex(229)	16252	1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 06-March-2018

Index	Cents/lb	Change
FC Index (S)	98.29	1.87
FC Index (M)	94.89	2.09
FC Index (L)	93.94	2.81

Cotlook Index: As on 06-March-2018

Cotlook Indices	Cents/Pound	Change
A-Index	94.60	3.15

USDA Cotton Spot Rates: As on 06-March-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	82.93	85.18	NIL
North Delta	81.43	83.18	NIL
South Delta	81.43	83.18	NIL
East TX-OK	77.25	79.00	5513
West Texas	76.75	78.75	11474
Desert SW	77.68	81.68	500
SJ Valley	78.18	87.08	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.): Ason06-March-2018

Contract	Open	High	Low	Close	Change
18-Mar	87.75	87.75	83.84	83.84	-1.57
18-May	84.97	86.6	81.71	82.43	-2.80
18-Jul	84.68	85.83	81.98	82.49	-2.49
18-Oct	78.6	78.68	78.60	78.68	-1.11
18-Dec	77.73	78.45	77.62	77.98	0.03
19-Mar	78.01	78.39	77.88	78.07	0.07

Pakistan Cotton Spot rates: As on06-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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