

Domestic Fundamentals:

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

In The News: The government is proposing to cut the price of BT cotton seeds (Bollgard II) from Rs 800 to Rs 740 per packet (450 gm packets). The current stands to reduce input costs for farmers help retain cotton acreages and ensure deeper penetration of high quality seeds thereby reducing worm attacks.

India appears to be experiencing a cotton quality crisis as seed cotton deliveries continue to be dominated by yellow seed cotton. Yellow colour is a significant problem for spinners because later in processing it affects the performance of the cotton.

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 export 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.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	7.5	940	948	940	947.5	1856	-379	7383	-78

Spread	Cont (C1)		
Spot	-86	-	-
	-	-	-

Updated at 05:00 pm as on 08-Mar-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-18	110	20750	20850	20750	20820	859	-1008	7566	8
Apr-18	120	21000	21080	20990	21070	140	-558	1310	50

Spread	Mar 18		-	-	--	--
Spot				-	-	-
Mar-18	-230			-	-	-

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

* Updated at 05:00 pm as on 08-Mar 2018

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	8-Mar-18	7-Mar-18	
Gujarat	Ahmedabad	Shankar-6	5250	5200	50
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5120	5170	-50
	Patan	B.T. Cotton	5090	5150	-60
	Kadi	B.T. Cotton	5200	5100	100
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	5055	5150	-95
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5200	5200	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5060	5060	Unch
	Fatehabad	B.T. Cotton	5050	5110	-60
	Jind	B.T. Cotton	5221	5460	-239
	Uchana	B.T. Cotton	NR	5095	-
	Dabwali	B.T. Cotton	4955	5000	-45
Rajasthan	Hanumangarh	B.T. Cotton	5125	5150	-25
	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	5000	4900	100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5000	Unch
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NA	-
	Hathras	Desi	NR	NA	-
Telangana	Adilabad	Un-Ginned	4540	4570	-30
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-

	Kurnool	Un-Ginned	NA	5015	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5263	-
	Hubli	D.C.H.	NA	3870	-
	Hubli	B.T. Cotton	NA	2770	-
	Raichur	H-44 Cotton	NA	5100	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	8-Mar-18	7-Mar-18	
Punjab	Bhatinda	J-34	4250	4275	-25
	Abohar	J-34	4255	4260	-5
	Mansa	J-34	4240	4250	-10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4240	4240	Unch
Rajasthan	Sri-Ganganagar	J-34	3995	3948	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	8-Mar-18	7-Mar-18	
Gujarat	Ahmedabad	Shankar-6	51000	51000	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	2500	2400	100
	Patan	B.T. Cotton	3033	3163	-130
	Kadi	B.T. Cotton	55000	50000	5000
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	249	236	13
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	4000	1200	2800
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	6800	-1700
	Fatehabad	B.T. Cotton	900	900	Unch
	Jind	B.T. Cotton	150	120	30
	Uchana	B.T. Cotton	NR	2215	-
	Dabwali	B.T. Cotton	350	350	Unch
Rajasthan	Hanumangarh	B.T. Cotton	1600	1600	Unch
	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	300	350	-50
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	2500	2500	Unch
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NR	NA	-

	Hathras	Desi	RN	NA	-
Telangana	Adilabad	Un-Ginned	7328	6861	467
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	174	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	4826	-
	Hubli	D.C.H.	NA	8	-
	Hubli	B.T. Cotton	NA	4	-
	Raichur	H-44 Cotton	NA	1290	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	8-Mar-18	7-Mar-18	
Punjab	Bhatinda	J-34	5100	5950	-850
	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	680	680	Unch
Haryana	Sirsa	J-34	1700	1700	Unch
Rajasthan	Sri-Ganganagar	J-34	400	500	-100

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				7-Mar-18	6-Mar-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42800	42800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43300	43300	Unch
J-34(202)	26mm	3.5 - 4.9	23	39900	40400	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38100	38600	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	41000	41300	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42100	42600	-500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43600	43900	-300
DCH-32(107)	34mm	3.0 - 3.8	33	54300	54600	-300

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		8-Mar-18	7-Mar-18	
Rajkot	Rs. /10 Kg.	745	755	-10
New Delhi	Rs. /10 Kg.	735	735	Unch
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
		8-Mar-18	7-Mar-18	
Mahesana (Kadi)	Rs./Qtl	1451	1489	-38
Akola	Rs./Qtl	1475	1517	-42

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 08-March-2018

Index	RMB/Ton	Change
CCIndex(328)	15711	6
CCIndex(527)	14692	3
CCIndex(229)	16255	3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 07-March-2018

Index	Cents/lb	Change
FC Index (S)	95.74	-2.55
FC Index (M)	92.61	-2.28
FC Index (L)	91.38	-2.56

Cotlook Index: As on 07-March-2018

Cotlook Indices	Cents/Pound	Change
A-Index	91.90	-2.70

USDA Cotton Spot Rates: As on 07-March-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	83.36	85.61	NIL
North Delta	81.86	83.61	NIL
South Delta	81.86	83.61	NIL
East TX-OK	77.75	79.50	1594
West Texas	77.25	79.25	3378
Desert SW	78.11	82.11	320
SJ Valley	78.61	87.51	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.): Ason07-March-2018

Contract	Open	High	Low	Close	Change
18-Mar	84.2	84.2	84.20	84.20	0.36
18-May	82.5	83.77	81.78	82.86	0.43
18-Jul	82.56	83.67	82.00	82.55	0.06
18-Oct	78.85	78.85	78.85	78.85	0.17
18-Dec	77.8	78.25	77.50	78.05	0.07
19-Mar	78	78.25	77.61	78.11	0.04

Pakistan Cotton Spot rates: As on07-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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