

Domestic Fundamentals:

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

In The News: Cotton Association of India (CAI) estimated that this year's cotton production would be 36.2 million bales (170 Kgs each), down from its December estimate of 37.5 million bales and February's estimate of 36.7 million bales.

India's farm ministry has decided to reduce royalties paid by Indian seed companies to Monsanto for its genetically modified (GM) cotton by 20.4 percent, said a government order released on Tuesday.

Cotton seed oil cake prices edged higher by Rs 20 to Rs 1,434 per quintal in futures trade on buying back of positions at prevailing levels supported by emerging physical markets.

Cotton prices traded firm taking cues from international market. Export continued at good pace and further sales were witnessed in Bangladesh, Pakistan, Vietnam and Indonesia.

Guntur cotton ginning mills directly buying kapas from farmers at Rs 4000-4500/Qtl and selling cotton seed and lint at Rs 1400/qtl and Rs 40000/ candy.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	-1.5	951	951	942	946	1833	-658	7008	-311

Spread	Cont (C1)		
Spot	-79	-	-
	-	-	-

Updated at 05:00 pm as on 13-Mar-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-18	30	20610	20720	20520	20670	1437	28	7814	72
Apr-18	60	20910	20990	20780	20950	378	58	1591	59

Spread	Mar 18		-	-	--	--
Spot				-	-	-
Mar-18	-270			-	-	-

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

* Updated at 05:00 pm as on 13-Mar 2018

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	13-Mar-18	12-Mar-18	
Gujarat	Ahmedabad	Shankar-6	5175	5200	-25
	Gondal	Shankar-6	5035	NR	-
	Rajkot	B.T. Cotton	5095	5150	-55
	Patan	B.T. Cotton	NR	5170	-
	Kadi	B.T. Cotton	5200	5150	50
	Deesa	B.T. Cotton	NA	NA	-
	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	5000	5080	-80
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4850	4950	-100
	Fatehabad	B.T. Cotton	4900	5000	-100
	Jind	B.T. Cotton	5450	NR	-
	Uchana	B.T. Cotton	NR	4992	-
	Dabwali	B.T. Cotton	NR	4840	-
Rajasthan	Hanumangarh	B.T. Cotton	4950	5000	-50
	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	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4480	4525	-45
Andhra Pradesh	Guntur	Un-Ginned	NA	3200	-
	Kurnool	Un-Ginned	5005	NA	-

	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	5309	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5070	-
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	13-Mar-18	12-Mar-18	
Punjab	Bhatinda	J-34	4155	4160	-5
	Abohar	J-34	4160	4190	-30
	Mansa	J-34	4140	4175	-35
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4125	4160	-35
Rajasthan	Sri-Ganganagar	J-34	3901	3995	-94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	13-Mar-18	12-Mar-18	
Gujarat	Ahmedabad	Shankar-6	59500	51000	8500
	Gondal	Shankar-6	1011	NR	-
	Rajkot	B.T. Cotton	2600	3200	-600
	Patan	B.T. Cotton	NR	3073	-
	Kadi	B.T. Cotton	60000	60000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	254	187	67
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	800	1200	-400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	11900	11900	Unch
	Fatehabad	B.T. Cotton	900	1200	-300
	Jind	B.T. Cotton	80	NR	-
	Uchana	B.T. Cotton	NR	1565	-
	Dabwali	B.T. Cotton	NR	375	-
Rajasthan	Hanumangarh	B.T. Cotton	1500	3000	-1500
	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	600	500	100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1500	1500	Unch
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	5102	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	300	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	3752	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	1050	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	13-Mar-18	12-Mar-18	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	1020	1020	Unch
	Mansa	J-34	680	850	-170
Haryana	Sirsa	J-34	2040	1700	340
Rajasthan	Sri-Ganganagar	J-34	400	250	150

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:						
Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				12-Mar-18	10-Mar-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42500	42800	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43000	43300	-300
J-34(202)	26mm	3.5 - 4.9	23	39800	40100	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38100	38300	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	41100	41200	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41900	42100	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43400	43600	-200
DCH-32(107)	34mm	3.0 - 3.8	33	54100	54300	-200

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		13-Mar-18	12-Mar-18	
Rajkot	Rs. /10 Kg.	730	735	-5
New Delhi	Rs. /10 Kg.	725	730	-5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	760	765	-5

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

Centre	Unit	Price		Change
		13-Mar-18	12-Mar-18	
Mahesana (Kadi)	Rs./Qtl	1423	1441	-18
Akola	Rs./Qtl	1464	1465	-1

INTERNATIONAL PRICES AND INDICES

<u>China Cotton Index: As on 13-March-2018</u>		
Index	RMB/Ton	Change
CCIndex(328)	15722	-1
CCIndex(527)	14698	-2
CCIndex(229)	16261	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

<u>China Foreign Cotton (FCE) Index : As on 12-March-2018</u>		
Index	Cents/lb	Change
FC Index (S)	97.37	-0.64
FC Index (M)	94.25	-0.56
FC Index (L)	93.17	-0.65

<u>Cotlook Index: As on 12-March-2018</u>		
Cotlook Indices	Cents/Pound	Change
A-Index	93.90	-0.50

<u>USDA Cotton Spot Rates: As on 12-March-2018</u>			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	83.78	86.03	NIL
North Delta	82.28	84.03	NIL
South Delta	82.28	84.03	NIL
East TX-OK	78.25	80.00	1543
West Texas	77.75	79.75	594
Desert SW	78.28	82.28	705
SJ Valley	78.78	87.68	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.): Ason12-March-2018

Contract	Open	High	Low	Close	Change
18-Mar	84.49	85.03	82.88	83.28	-1.24
18-May	84.17	84.71	82.94	83.21	-0.98
18-Jul	79.3	80.15	79.3	79.88	unch
18-Oct	78.6	78.75	78.3	78.72	unch
18-Dec	78.6	78.83	78.44	78.83	0.03
19-Mar	78.6	78.7	78.39	78.7	0.06

Pakistan Cotton Spot rates: As on12-March-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7400	145	7545
Equivalent	40 Kgs	7931	155	8086

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