

#### 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.



#### **International Fundamentals:**

China has started selling cotton from its reserve stocks in the state-owned warehouses that china state reserve sold 15,000.26 tonnes put up for first auction on Monday

World consumption is raised slightly, while world trade is forecast 600,000 bales higher, as higher expected imports by Turkey, Bangladesh, China, and Vietnam more than offset a decline for Taiwan. World ending stocks are now projected at 88.8 million bales, nearly 300,000 bales above last month.

U.S. all-cotton production in 2017-18 projected down 140,000 bales from USDA's latest estimate and exports up 390,000 bales ahead of the monthly supply-demand reports.

As of Feb. 15, Turkey ranked as the third largest export customer for U.S. cotton this season on purchases of 1.428 million statistical bales. China was the largest, having bought 2.33 million bales, and Vietnam ranked second on purchases of 2.216 million bales.

Sri Lanka's apparel and textile export segment is likely to experience the highest rate of growth in overseas shipment in 2018 as Sri Lanka focus on achieving \$20 billion in export earnings by 2020, Sri Lanka CEO survey have resoundingly voted for textile and apparel as the growth engine for exports in the year ahead, as per the a recent survey conducted by the Oxford Business Group (OBG).

Exporters of Nepali yarn to Turkey have been facing hassles for the past few weeks after the Turkish government imposed stricter import provision for Nepali yarn, alleging that Nepali traders were exporting foreign yarn to the European nation under Nepali brand names. The Turkish government has also initiated the process of slapping antidumping duty on Nepali yarn based on aforementioned allegations, according to domestic yarn producers. This has created anxiety among Nepali yarn producers.

Cotton prices have been a prime benefactor of growing world economies and overseas demand. Since a post harvest low back in October, cotton prices have rallied by nearly 12%. This has helped inflate call option premiums in the cotton market nicely.

The US Department of Agriculture, unveiling its first full estimates for world cotton supply and demand in 2018-19, forecast that the Cotlook A index of physical prices will "decline about 10 cents to 73 cents a pound" on a year-average basis.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract Cont. (C1)	+/- -1.5	Open 951	High 951	<b>Low</b> 942	Close 946	Volume 1833	Change -658	01 7008	Change -311
Spread		Cont	(C1)						
Spot		-79							
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	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
				1				1	
Spread	M	ar 18							
Spot									
Mar-18	-	270							
(NB: Spread Basis = Spot- Near Month Future)									
(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 (R	s./Quintal)	Change
State	Centre	Variety	13-Mar-18	12-Mar-18	Change
	Ahmedabad	Shankar-6	5175	5200	-25
	Gondal	Shankar-6	5035	NR	-
	Rajkot	B.T. Cotton	5095	5150	-55
Gujarat	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	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5000	5080	-80
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4850	4950	-100
Haryana	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
Rajasulali	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	5000	4900	100
Madnya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5000	Unch
WallardSillia	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ullai Fiduesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4480	4525	-45
Andhra Pradesh	Guntur	Un-Ginned	NA	3200	-
Anunia Fiduesii	Kurnool	Un-Ginned	5005	NA	-



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	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NA	5309	-
Karnataka	Hubli	D.C.H.	NA	NA	-
Ndillalaka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5070	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	13-Mar-18	12-Mar-18	Change
	Bhatinda	J-34	4155	4160	-5
	Abohar	J-34	4160	44.00	20
		0-04	4100	4190	-30
Punjab	Mansa	J-34	4180	4190	-30
Punjab					
Punjab	Mansa	J-34	4140	4175	-35
Punjab Haryana	Mansa Muktsar	J-34 J-34	4140 NR	4175 NR	-35 -

### **Cotton Arrivals in Key Centers:**

Commodity		Kapas	Arrivals	(Quintal)	Change	
State	Centre	Variety	13-Mar-18	12-Mar-18	Change	
	Ahmedabad	Shankar-6	59500	51000	8500	
	Gondal	Shankar-6	1011	NR	-	
	Rajkot	B.T. Cotton	2600	3200	-600	
Gujarat	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	
Dumiak	Fazilika	B.T. Cotton	NR	NR	-	
Punjab	Muktsar	B.T. Cotton	NR	NR	-	
	Bhiwani	B.T. Cotton	800	1200	-400	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	11900	11900	Unch	
Haryana	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	-	
Deieethen	Hanumangarh	B.T. Cotton	1500	3000	-1500	
Rajasthan	Rawatsar	B.T. Cotton	NR	NR	-	
Madhua Dradaah	Khandwa	Mech-1	600	500	100	
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-	
Maharashtra	Amravati	Mech-1	1500	1500	Unch	
Maharashtra	Jamner	Medium Staple	NR	NR	-	
Litter Dredeek	Hathras	B.T. Cotton	NA	NA	-	
Uttar Pradesh	Hathras	Desi	NA	NA	-	



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Telangana	Adilabad	Un-Ginned	5102	NA	-	
	Guntur	Un-Ginned	NA	NA	-	
Andhra Pradesh	Kurnool	Un-Ginned	300	NA	-	
Anunia Flauesh	Krishna	Un-Ginned	NA	NA	-	
	East Godavari	Un-Ginned	NA	NA	-	
	Bijapur	Bunny	NA	3752	-	
Karnataka	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	Change	
	Bhatinda	J-34	6800	6800	Unch	
Punjab	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	Stoplo	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Change		
Trade Name	Staple	witcronaire	GPT	12-Mar-18	10-Mar-18	Change		
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		

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

### **Cotton Seed Oil Prices**

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

#### **INTERNATIONAL PRICES AND INDICES**

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

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

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

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals	
	cent	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 S	(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

#### Disclaimer

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