

Domestic Fundamentals:

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

In The News: According to a notification issued late Monday by the agriculture ministry, the MSP for the Bt cotton seeds in the 2018-19 kharif season will be Rs 740 for a 450-gm packet, down 7.5% from earlier. The trait value has seen a steeper 20% cut to Rs 39/packet. Before the Centre capped retail price of the Bt cotton seed, its price was in the range of Rs 830-1,000/450-gram packet, as existed in 2015-16 kharif season.

Cottonseed 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.

Indian cotton prices hovered at Rs 41,200 per candy. The carry-over stock at the end of this season on September 30, 2018, is estimated to be 22 lakh bales which is lower by 20 lakh bales over the previous closing stock of 42 lakh bales.

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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.



International Fundamentals:

In February 2018, cotton imports of Vietnam reached 111.4kt, down 5.9% year on year and 22.5%, month on month. And Brazilian cotton imports increased a significant high of 232% year on year to reach 18.4kt mainly due to improvement on cotton demand in Vietnam China sold 28,100 metric tons (129,061 480-pound bales) in the first day of its resumed auctioning of reserve stocks, 93.6% of total offerings of 30,000 tons (137,788 bales).

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 anti-dumping 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	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	-0.5	935.5	938.5	932	933	1445	-469	7228	271
Spread		Cont (C1)							
Spot		-80.5							
	Updated at 05:00 pm as on 15–Mar-2018								



MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-18	40	20550	20610	20500	20550	1131	-274	6799	-793
Apr-18	40	20840	20890	20800	20840	723	125	2534	700
Spread	Ma	ar 18							
Spot									
Mar-18	-:	280							
(NB: Spread Basis = Spot- Near Month Future)									
* Updated at 05:00 pm as on 15–Mar 2018									

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (R	Prices (Rs./Quintal)		
State	Centre	Variety	15-Mar-18	14-Mar-18	Change	
	Ahmedabad	Shankar-6	5250	5200	50	
	Gondal	Shankar-6	5015	5015	Unch	
	Rajkot	B.T. Cotton	5090	5095	-5	
Gujarat	Patan	B.T. Cotton	NR	5145	-	
	Kadi	B.T. Cotton	5075	5100	-25	
	Deesa	B.T. Cotton	NA	NA	-	
	Dhrol	B.T. Cotton	5075	5105	-30	
Punjab	Fazilika	B.T. Cotton	NR	NR	-	
Pulijab	Muktsar	B.T. Cotton	NR	NR	-	
	Bhiwani	B.T. Cotton	5025	5000	25	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	4890	4870	20	
Haryana	Fatehabad	B.T. Cotton	4950	4900	50	
	Jind	B.T. Cotton	5080	5045	35	
	Uchana	B.T. Cotton	NR	4932	-	
	Dabwali	B.T. Cotton	4770	5150	-380	
Rajasthan	Hanumangarh	B.T. Cotton	5015	4950	65	
Kajastilali	Rawatsar	B.T. Cotton	NR	NR	-	
Madhya Pradesh	Khandwa	Mech-1	5000	5000	Unch	
Mauriya Frauesii	Khargaon	Mech-1	NR	NR	-	
Maharashtra	Amravati	Mech-1	5000	5000	Unch	
ivialiai asiili a	Jamner	Medium Staple	NR	NR	-	
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-	
Ullai Flauesii	Hathras	Desi	NA	NA	-	
Telangana	Adilabad	Un-Ginned	4480	4470	10	
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-	
Aliulia Flaucsii	Kurnool	Un-Ginned	NA	5050	-	



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	Krishna	Un-Ginned	NA	NA	-	
	East Godavari	Un-Ginned	NA	NA	-	
	Bijapur	Bunny	NA	5320	-	
Varnatalsa	Hubli	D.C.H.	NA	3860	-	
Karnataka	Hubli	B.T. Cotton	NA	NA	-	
	Raichur	H-44 Cotton	NA	5100	-	
Commodity		Lint		Prices (Rs./Maund)		
Ctata	Cantra	Variativ	45 Mar 49	44 May 40	Change	
State	Centre	Variety	15-Mar-18	14-Mar-18		
State	Bhatinda	J-34	4180	4160	20	
State		•			20	
Punjab	Bhatinda	J-34	4180	4160		
	Bhatinda Abohar	J-34 J-34	4180 4180	4160 4160	20	
	Bhatinda Abohar Mansa	J-34 J-34 J-34	4180 4180 4125	4160 4160 4125	20	
	Bhatinda Abohar Mansa Muktsar	J-34 J-34 J-34 J-34	4180 4180 4125 NR	4160 4160 4125 NR	20 Unch	

Cotton Arrivals in Key Centers:

Commodity	K	apas	Arrivals	(Quintal)	Change
State	Centre	Variety	15-Mar-18	14-Mar-18	Change
	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	837	1387	-550
	Rajkot	B.T. Cotton	2000	3000	-1000
Gujarat	Patan	B.T. Cotton	NR	3620	-
	Kadi	B.T. Cotton	50000	50000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	363	315	48
Dunish	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	1000	800	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5000	4080	920
Haryana	Fatehabad	B.T. Cotton	600	900	-300
	Jind	B.T. Cotton	260	201	60
	Uchana	B.T. Cotton	NR	3000	-
	Dabwali	B.T. Cotton	200	200	Unch
Deigathan	Hanumangarh	B.T. Cotton	1200	1500	-300
Rajasthan	Rawatsar	B.T. Cotton	NR	NR	-
Madhya Pradesh	Khandwa	Mech-1	700	600	100
waunya Prauesn	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1600	1300	300
wanarasnira	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ultar Frauesii	Hathras	Desi	NA	NA	-



T. L	I	1	1744	4504	400	
Telangana	Adilabad	Un-Ginned	4714	4591	123	
	Guntur	Un-Ginned	NA	NA	-	
Andhra Pradesh	Kurnool	Un-Ginned	NA	185	-	
Allulla Flauesii	Krishna	Un-Ginned	NA	NA	-	
	East Godavari	Un-Ginned	NA	NA	-	
	Bijapur	Bunny	NA	2766	-	
Karnataka	Hubli	D.C.H.	NA	4	-	
	Hubli	B.T. Cotton	NA	NA	-	
	Raichur	H-44 Cotton	NA	892	-	
Commodity	Lin	t	Arrivals (Quintal)		Change	
State	Centre	Variety	15-Mar-18	14-Mar-18	Change	
	Bhatinda	J-34	6800	6800	Unch	
Punjab	Abohar	J-34	1020	1020	Unch	
	Mansa	J-34	510	680	-170	
Haryana	Sirsa	J-34	1700	1700	Unch	
Rajasthan	Sri-Ganganagar	J-34	500	400	100	

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:							
Trade Name	Otenda	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Change	
Trade Name	Staple	Wilcronaire	GPT	14-Mar-18	13-Mar-18	Change	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42500	42300	200	
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43000	42800	200	
J-34(202)	26mm	3.5 - 4.9	23	39800	39600	200	
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37900	37900	Unch	
Shankar-6(105)	29mm	3.5 – 4.9	28	41000	41000	Unch	
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41800	41800	Unch	
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43300	43300	Unch	
DCH-32(107)	34mm	3.0 - 3.8	33	53900	53900	Unch	

Cotton Seed Oil Prices

Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Pri	Chango	
Centre	Offic	15-Mar-18	14-Mar-18	Change
Rajkot	Rs. /10 Kg.	735	735	Unch
New Delhi	Rs. /10 Kg.	720	725	-5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	760	760	Unch

Cotton Seed Oil Seed Cake Prices



Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Pri	Changa	
Centre	Offic	15-Mar-18	14-Mar-18	Change
Mahesana (Kadi)	Rs./Qtl	1425	1427	-2
Akola	Rs./Qtl	1463	1467	-4

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 15-March-2018		
Index	RMB/Ton	Change
CCIndex(328)	15712	-9
CCIndex(527)	14697	-1
CCIndex(229)	16257	-3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 14-March-2018					
Index	Cents/lb	Change			
FC Index (S)	95.93	-0.29			
FC Index (M)	92.76	-0.29			
FC Index (L)	91.71	0.25			

Cotlook Index: As on 14-March-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	92.35	-0.25

USDA Cotton Spot Rates: As on 14-March-2018						
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals			
	cent	Bales				
Southeast	83.94	86.19	NIL			
North Delta	82.44	84.19	NIL			
South Delta	82.44	84.19	NIL			
East TX-OK	78.50	80.25	2091			
West Texas	78.00	80.00	3569			
Desert SW	78.44	82.44	3			
SJ Valley	78.94	87.84	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.): Ason14-March-2018							
Contract	Open	High	Low	Close	Change		
18-Mar	83.39	83.87	82.41	83.44	0.46		
18-May	83.15	83.60	82.43	83.20	0.34		
18-Jul	79.17	79.20	79.17	79.20	-0.37		
18-Oct	78.50	78.75	77.81	78.02	-0.47		
18-Dec	78.77	78.8	78.05	78.2	-0.47		
19-Mar	78.62	78.62	78.07	78.2	-0.42		

Pakistan Cotton S	(in Pakistan Rupees)			
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7600	145	7745
Equivalent	40 Kgs	8145	155	8300

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