



From India Since 1903

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CORE PURPOSE AND MISSION: To assist cotton farmers in improving yield & quality, helping cotton users locate regular sources of quality cotton at nominal prices and to prevent the arbitrary use of paper and plastic objects where cotton can easily be replaced as a 'renewable resource' (e.g. cotton handkerchief vs. tissue paper, cotton bags vs. plastic/paper bags), thereby saving the environment.

Date: 29/09/2017

ANNUAL 2016-17

Quote: *Price is what you pay. Value is what you get."*

In other words, don't focus on short-term swings in price, focus on the underlying value of your investment.

- **Warren Buffett**

Cotton Sowing Report as on 21/09/2017

State	Central Agri Ministry (Lakh hact.)	
	2017-18	2016-17
Punjab	03.85	02.56
Haryana	06.56	04.98
Rajasthan	05.03	03.85
Gujarat	26.36	24.10
Maharashtra	42.05	38.07
M. P.	05.99	05.99
A.P.	05.95	04.35
Telangana	18.66	12.36
Karnataka	04.77	04.42
Tamilnadu	00.76	00.40
Other	01.74	01.53
Total	121.72	102.61

Source: Central Agri Ministry



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• **Lesha Impex Pvt. Ltd.**

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• **TCCI**

Cotton Testing Laboratory
(NABL Accredited)
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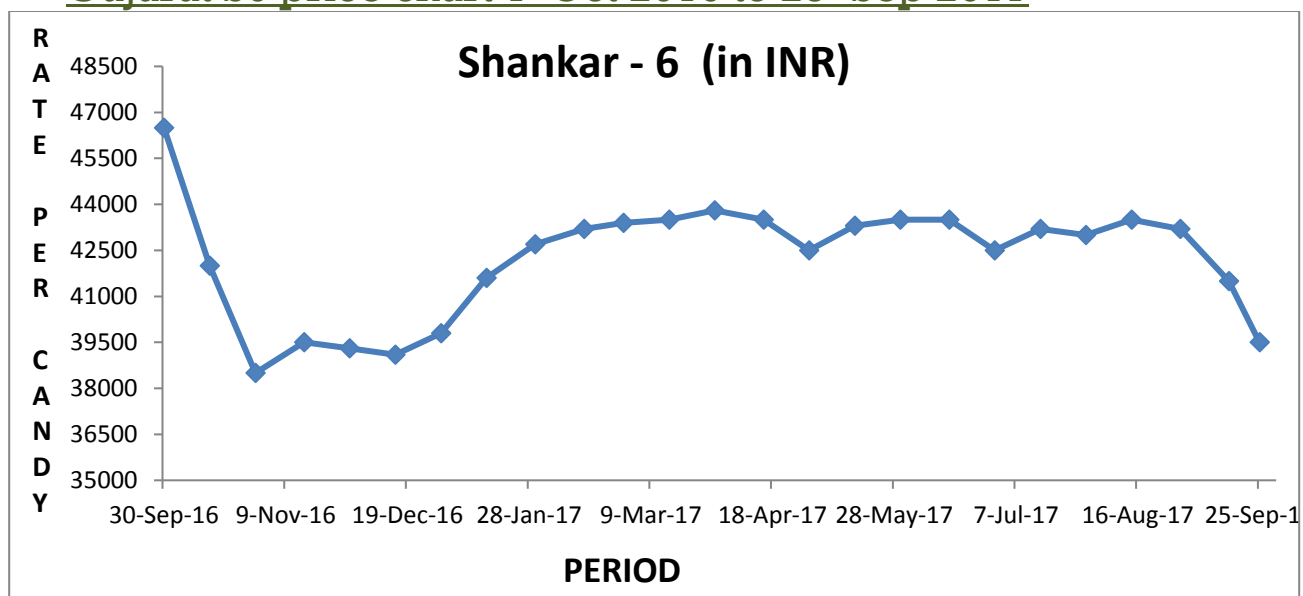
Weather Report:

(Map)

From the above chart it is evident that monsoon is satisfactory in most cotton centres except Vidarbha (Maharashtra) and Karnataka. [For more information subscribe to our fortnightly newsletter...](#)

Domestic Market Summary:

Gujarat S6 price chart 1stOct 2016 to 25thSep 2017



Oct beginning 2016 prices were in the range of INR 47000 but soon collapsed to INR 40000 by Oct end. They further fell to INR 38500 in [For more information subscribe to our fortnightly newsletter...](#)

Export-Import:

The World Trade Organization (WTO) has raised the estimate of growth in world merchandise trade volume for 2017 to 3.6 % up from the 2.4 % estimate earlier. The current reduction in duty draw-backs and lack of effective free-trade agreements (FTA) has partially handicapped Indian textile industry. Exporters and trade experts alike believe it will be [For more information subscribe to our fortnightly newsletter...](#)

Indian Cotton Export (2016-17):

(Import Export chart data)

India, being the world's largest producer of cotton, has witnessed a drop in the export market consecutively for the third fiscal year. Bangladesh has taken over from China as the largest importer of India's cotton as demand from China continued to remain low. The cotton export to Bangladesh valued to [For more information subscribe to our fortnightly newsletter...](#)

Indian Cotton Import (2016-17):

An average crop and lower-than-expected opening stock resulted in restricted stock of physical cotton throughout the last season. Steady rise in prices of Indian cotton at the beginning of the season and [For more information subscribe to our fortnightly newsletter...](#)

Yarn:

The disparity between cotton and yarn prices has put the spinning sector in a tight spot especially due to the steep decline in price of yarn compared with the fibre cost. Reduced yarn supply will help match the demand. Simultaneously, reduction in consumption of cotton will help [For more information subscribe to our fortnightly newsletter...](#)

Cotton yarn export:

Despite strong demand from Bangladesh, overall cotton yarn exports remained low in F.Y.2016-17, as demand from China remained sluggish. India has fallen to 3rd place behind Vietnam and Pakistan for yarn export to [For more information subscribe to our fortnightly newsletter...](#)

Garments and Apparel:

During the last decade, India was the largest readymade garment (RMG) exporter in the world after China. It has now fallen to the 6th position and might further drop due to slash export incentives [For more information subscribe to our fortnightly newsletter...](#)

International Market Summary:

(Production Vs consumption Vs ending stocks), *(Cotton balance sheet)*

China:

CNCE and CNCR announced that only spinners were permitted to take part in the state cotton auction during Sep 4 and Sep 29. Since then, Chinese cotton prices have been increasing [For more information subscribe to our fortnightly newsletter...](#)

US:

A 20.5 million bale expected crop could eventually be down to 19-19.5 million bale crop as we go ahead which may not prove to be a big loss in terms of quantity as it is still a sizeable crop. The main concern for American cotton buyers is the quality of hurricane-affected cotton. [For more information subscribe to our fortnightly newsletter...](#)

PAKISTAN:

Cotton arrivals for the new season 2017-18 have started in most cotton areas. Prices are falling in tandem with international cotton. [For more information subscribe to our fortnightly newsletter...](#)

Upcoming Conferences:

COTTONGURU™ Media is the official Media Partner for the following upcoming Conferences.

India Textile Sourcing Exhibition, Gandhinagar: Something Different

COTTONGURU™ CLUB MEMBER:

COTTON MARKET: WHICH WAY AHEAD ???

- 1) How to estimate the market trend?
- 2) What is the short term and long term view?
- 3) How can U overcome price fluctuation risk?



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Tradition of Trust

Wait and watch is not the way out, U may never get a 2nd chance.

U are at a Huge Risk if U take an 'uninformed' decision.

U can definitely manage your Risk now...and always

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- 2) 1 scheduled video conference every week to appraise you of current market situation.
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- 5) 10% discount on advertisement charges for the above Newsletter.
- 6) 10% discount on Supply Chain Management package.
- 7) Complementary eligibility for our Risk Management Services.

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Risk Management

Risk Management

Financial liabilities from 'Price Risk' are immense, and therefore, Ginning / Spinning Mill owners and Traders/Exporters need to take immediate actions to overcome this risk as soon as possible.

Experts from MCX, Kotak Commodities and Team COTTONGURU™ will help you with simple but powerful methods.



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Management

- What are the immediate steps to take?
- How do you quickly and efficiently determine the best way to manage the Price risk?
- Are you updated with all the technical knowledge?

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Supply Demand Reports:

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Expert Opinions:

I can understand that physical price in India has declined. India price needs to be very competitive with world price so to [For more information subscribe to our fortnightly newsletter...](#)

COTTONGURU™ Comments:

All the indicators of growth in industrial production, infrastructure and service sectors, along with slower exports growth in last quarter, present a subdued picture for the trade. The situation is more serious in the textile sector. But there is a widely agreed view that once these shocks are absorbed fully, the growth numbers will automatically start improving, especially for the organised sector. Besides the aggressive approach, higher spending for reforms by the government should also help. Most importantly, many economists and even RBI are pinning their hopes on this year's [For more information subscribe to our fortnightly newsletter...](#)

Reasons for decrease in cotton prices: [For more information subscribe to our fortnightly newsletter...](#)

Reasons for retention/increases in cotton prices: [For more information subscribe to our fortnightly newsletter...](#)

Government Policy:

The highly successful Gujarat Textile Policy has been extended by the State government for another one year which was due for expiry on 4th September 2017. The five year term policy was announced in 2012 [For more information subscribe to our fortnightly newsletter...](#)

Technical Reports:

1) ICE Cotton:

Since October 2016 ICE Cotton rallied 30%+ & peaked out in mid May 2017. Since then it has given back all of its gains and currently trading almost at the same levels it was trading a year back. Volatile consolidation noted in ICE Cotton. Year ahead can [For more information subscribe to our fortnightly newsletter...](#)

2) MCX Cotton:

MCX Cotton has underperformed international markets in past one year. It rallied only 19% and similarly fell less in comparison hence is back to same levels almost a year back. MCX Cotton could [For more information subscribe to our fortnightly newsletter...](#)

Top Interviews:

1. Exclusive Interview with Dr. Kavita Gupta, IAS, Textile Commissioner of India.

https://www.youtube.com/watch?v=rz6BS_g9Msk

2. Exclusive Interview with Mr. Jose Sette, Ex.Exe Direc, ICAC

https://www.youtube.com/watch?v=Y8h_yvxvaDE

3. Exclusive interview with thought leader Mr. Suresh Kotak, Chairman of Kotak & Co.

<https://www.youtube.com/watch?v=GBJL-gfzLRc>

COTTONGURU™ Fortnightly Newsletter is a cotton market analysis newsletter with a global outlook committed to authenticated and sustainable content. It revolves around cotton and textile industry as a concept in terms of trade, research and knowledge. The newsletter is circulated to over 10,000 Textile companies, Textile & Research Associations, professionals, Government Offices worldwide.

About the author: Mr. Manish Daga popularly referred by the cotton industry as COTTON GURU™ is a qualified textile technologist.

He is India's only Cotton Valuer registered by the Indian Institution of Valuers, India. He is the fourth generation in cotton trade, advisory and broking services from his family. The P. R. D. Cottons Group is 113 year old in cotton business uninterrupted.

Call or mail for any information, suggestion, feedback or to know how your Company can benefit from the knowledge and experience of COTTON GURU™.

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Mr. Manish Daga

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3. ISCI (Indian Society for Cotton improvement)
4. IFS (Indian Fibre Society)
5. TAI (Textile Association of India)