

Domestic Fundamentals:

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

In The News: Cotton seed oil price noticed weak. Weekly average price in New Delhi is Rs 725 per 10 Kg, compared to the weekly average price of Rs 736 per 10 Kg in previous week.

There is continuous export demand at the current price level; India could export more than 6 million bales in the current season ending on Sept. 30, up a fifth from previous estimates, of CAI.

Indian cotton is being offered around 82 to 85 cents per lb on a cost and freight basis (C&F) to buyers in Bangladesh and Vietnam, compared to over 90 cents from the United States and Brazil.

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.

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.

International Fundamentals:

The Chinese state reserve auction finished this week. It had a 61.56 percent turnover rate; 30004.679 tonnes offered versus 18470.98 tonnes purchased.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	-16.5	916.5	916.5	896	901.5	4290	653	7147	-172
Spread	Cont (C1)								
Spot	-108.5				-		-		
	-				-		-		

Updated at 05:00 pm as on 19-Mar-2018

MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-18	-190	20290	20360	20110	20150	1987	-277	5760	-440
Apr-18	-200	20570	20660	20400	20430	1083	-548	3347	236

Spread	Mar 18		-	-	--	--
Spot				-	-	-
Mar-18	-300			-	-	-

(NB: Spread Basis = Spot- Near Month Future)
 * Updated at 05:00 pm as on 19-Mar 2018

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
	State	Centre	Variety	19-Mar-18	
Gujarat	Ahmedabad	Shankar-6	5150	5200	-50
	Gondal	Shankar-6	5020	5005	15
	Rajkot	B.T. Cotton	5115	5125	-10
	Patan	B.T. Cotton	5230	5200	30
	Kadi	B.T. Cotton	5200	5250	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	5000	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5050	Closed	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4920	4920	Unch
	Fatehabad	B.T. Cotton	4970	4960	10
	Jind	B.T. Cotton	5140	5010	130
	Uchana	B.T. Cotton	NR	4945	-
	Dabwali	B.T. Cotton	4830	4850	-20
Rajasthan	Hanumangarh	B.T. Cotton	4950	5000	-50
	Rawatsar	B.T. Cotton	4850	4850	Unch
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	Closed	-
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4450	4460	-10
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-

	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	4409	-
	Hubli	D.C.H.	NA	4251	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	19-Mar-18	17-Mar-18	
Punjab	Bhatinda	J-34	4205	4190	15
	Abohar	J-34	4210	4190	20
	Mansa	J-34	4175	4160	15
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4190	4175	15
Rajasthan	Sri-Ganganagar	J-34	3901	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
	State	Centre	Variety	19-Mar-18	
Gujarat	Ahmedabad	Shankar-6	59500	59500	Unch
	Gondal	Shankar-6	1311	1308	3
	Rajkot	B.T. Cotton	3000	2800	200
	Patan	B.T. Cotton	2515	3332	-817
	Kadi	B.T. Cotton	45000	50000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	343	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	closed	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5000	5000	Unch
	Fatehabad	B.T. Cotton	700	900	-200
	Jind	B.T. Cotton	270	125	145
	Uchana	B.T. Cotton	NR	2085	-
	Dabwali	B.T. Cotton	200	225	-25
Rajasthan	Hanumangarh	B.T. Cotton	1200	1200	Unch
	Rawatsar	B.T. Cotton	3000	1000	2000
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1200	Closed	-
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	1877	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	NA	470	-
	Hubli	D.C.H.	NA	26	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Mar-18	17-Mar-18	
Punjab	Bhatinda	J-34	6800	6800	Unch
	Abohar	J-34	680	1020	-340
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	850	1190	-340
Rajasthan	Sri-Ganganagar	J-34	1000	NR	-

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy		Change
				17-Mar-18	16-Mar-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42600	42600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43100	43100	Unch
J-34(202)	26mm	3.5 - 4.9	23	39900	39900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38000	38000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	41000	41200	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41800	42000	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43400	43400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	54000	54000	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		19-Mar-18	17-Mar-18	
Rajkot	Rs. /10 Kg.	730	730	Unch
New Delhi	Rs. /10 Kg.	720	725	-5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	760	750	10

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

Centre	Unit	Price		Change
		19-Mar-18	17-Mar-18	
Mahesana (Kadi)	Rs./Qtl	1414	1413	1
Akola	Rs./Qtl	1443	1454	-11

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 19-March-2018

Index	RMB/Ton	Change
CCIndex(328)	15688	-13
CCIndex(527)	14659	-36
CCIndex(229)	16241	-11

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index : As on 16-March-2018

Index	Cents/lb	Change
FC Index (S)	96.36	0.11
FC Index (M)	93.14	0.02
FC Index (L)	92.20	0.03

Cotlook Index: As on 16-March-2018

Cotlook Indices	Cents/Pound	Change
A-Index	92.85	Unch

USDA Cotton Spot Rates: As on 16-March-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	83.35	85.60	NIL
North Delta	81.85	83.60	NIL
South Delta	81.85	83.60	NIL
East TX-OK	77.75	79.50	3710
West Texas	77.25	79.25	785
Desert SW	77.85	81.85	46
SJ Valley	78.35	87.25	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.): Ason16-March-2018

Contract	Open	High	Low	Close	Change
18-Mar	83.70	83.70	82.42	82.85	-0.68
18-May	83.75	83.75	82.57	82.98	-0.62
18-Jul	79.38	79.38	79.38	79.38	-0.13
18-Oct	78.04	78.3	77.69	78.28	0.09
18-Dec	78.35	78.47	77.89	78.47	0.1
19-Mar	78.35	78.48	78.05	78.48	0.13

Pakistan Cotton Spot rates: As on17-March-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7500	145	7645
Equivalent	40 Kgs	8038	155	8193

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2018 Indian Agribusiness Systems Ltd.