

### **Domestic Fundamentals:**

Market Outlook: Most of Cotton spot market prices were noticed firm on Monday.

**In The News:** Foreign buyers are interested in sourcing cotton from India as they find it cost effective and less expensive in comparison to other countries.

India will export 65-70 lakh bales of cotton in the ongoing season 2017-18 amid aggressive demand from neighbouring countries like Bangladesh and Pakistan. Apart from the neighbouring countries, India has also been receiving demands from several other countries, including Vietnam, Indonesian and Turkey.

In the early six months of this cotton production and marketing season 2017-18 (October-March), India has sold 55 lakh bales of cotton, of which 17 lakh bales have been shipped to Bangladesh followed by 11 lakh bales to Pakistan, 10 lakh to Vietnam, seven lakh to China, 7 lakh to Indonesia and Taiwan, and 3 lakh to other countries including Sri Lanka, Turkey and Thailand, among others," the CAI chief told IANS.

Cotton prices are expected to remain firm, rating agency ICRA in its report said domestic demand has started showing signs of improvement because transition of GST and changes in export incentives structure subsiding.

Bathinda Deputy Commissioner Diprava Lakrahe said that for 2018, the government aimed at bringing 1.10 lakh hectares of land under cotton cultivation as compared to 99,000 hectares last year. Similarly, last year the cotton yield per hectare was 850 kg lint, which is now being targeted at 860 kg lint per hectare, he added.

Indian cotton exports were 183kt in Feb 2018, down 13.3% month on month, but up 45.2% year on year and the accumulative exports in 2017/18 (from Aug 2017 to Feb 2018) were 822kt, an increase of 6.6% year on year. In the first two months of 2018, exports totaled 394kt, up 7.2% year on year.

In Feb 2018, cotton imports in India were 17kt, an upswing of 37% year on year and 8.3% month on month. From Aug 2017 to Feb 2018, imports totaled 182kt, down 46.1% year on year and in the first two months of 2018, imports amounted to 32kt, up 27.1% year on year.

CCI around 400000 bales of cotton were procured under the MSP operations while the remaining 800000 bales were for commercial operations.

Maharashtra has made it mandatory for Bt cotton seed companies in the state to submit seed samples, which they wish to sell in market, to government-approved laboratories for getting them tested in order to obtain to sale licenses. The step has been taken to prevent the sale of illegal varieties in the market, according to Director of agriculture, inspection and quality control.



#### **International Fundamentals**

China state reserve sold only 7,951.60 tonnes(53.01%) out of the total quantity at 15,000.78 tonnes of cotton reserved in the first session of its auction on April 02.

As per the United States Department of Agriculture (USDA) figures, India is the largest producer of cotton in the world with 365 lakh bales this year, followed by China (353 lakh bales), the U.S. (273 lakh bales), Pakistan (105 lakh bales) and Brazil (103 lakh bales).

ICE cotton contract for May expiry settled up 0.72 cent, or 0.89 percent, at 81.46 cents per lb. It traded within a range of 80.68 and 82.2 cents a lb the contract was down 0.45 percent for the week.

Cotton in Australia estimates there were 372,000 hectares of irrigated cotton planted this season and 81,000 green hectares of dry land, giving total Australian crop of 453.000 ha.

Pakistan cotton imports for 2018-19 were forecast at 2.40 m bales, a drop of 200,000 bales from this season, reflecting the increased production hopes. The country imports primarly better grades of cotton, for lifting the quality of domestic textile output to export grade.

China state reserve sold only 8,900.81 tonnes (59.34%) out of the total quantity at 15,000.15 tonnes of cotton reserved in the first session of its auction on March 27.

Last night New York futures market May 2018 closed at 83 cents per pound while July futures 2018 closed at 83.60 cents per pound. Cotlook A Index closed at 92 cents per pound.

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.

	NCDEX Kapas Futures*: (Prices in Rs/20kg)								
Contract Cont. (C1)	+/- 25.5	Open 904	High 924	Low 904	Close 920	Volume 4012	Change 2149	01 6024	Change -295
Spread Spot		Cont (C1) -130							
	Updated at 05:00 pm as on 02–Apr-2018								



Apr-18         200         20890         20960         20830         20920         169         103         898         63           Spread         Apr 18         -	Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Spread Apr 18 Spot	Apr-18	210	20500	20700	20500	20640	1181	857	7822	187
Spot	May-18	200	20890	20960	20830	20920	169	103	898	63
Spot										
	Spread	Ap	or 18							
Apr.18 -260	Spot									
710 200	Apr-18	-;	260							
(NB: Spread Basis = Spot- Near Month Future)										

## **Cotton Prices at Key Spot Markets:**

Commodity		Kapas		Rs./Quintal)	Change
State	Centre	Variety	2-Apr-18	31-Mar-18	Change
	Ahmedabad	Shankar-6	5300	Closed	-
	Gondal	Shankar-6	NR	Closed	-
	Rajkot	B.T. Cotton	5175	Closed	-
Gujarat	Patan	B.T. Cotton	NR	Closed	-
	Kadi	B.T. Cotton	5200	5200	Unch
	Deesa	B.T. Cotton	NA	Closed	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Punjab	Fazilika	B.T. Cotton	Closed	NR	-
runjab	Muktsar	B.T. Cotton	Closed	NR	-
	Bhiwani	B.T. Cotton	5080	5030	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	4880	-
Haryana	Fatehabad	B.T. Cotton	4920	4900	20
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4900	4900	Unch
Kajastiiaii	Rawatsar	B.T. Cotton	NR	4760	-
Madhya Pradesh	Khandwa	Mech-1	5200	Closed	-
Mauriya Frauesii	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5100	Closed	-
Maharashtra	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ullai Fiauesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4450	NR	-



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An II on Book to d	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
Andhra Pradesh	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5311	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity		Lint	Prices (F	Rs./Maund)	Change
Commodity State	Centre	Lint Variety	Prices (F 2-Apr-18	Rs./Maund) 31-Mar-18	Change
	Centre Bhatinda				Change 5
		Variety	2-Apr-18	31-Mar-18	_
	Bhatinda	Variety J-34	<b>2-Apr-18</b> 4215	<b>31-Mar-18</b> 4210	5
State	Bhatinda Abohar	J-34 J-34	2-Apr-18 4215 Closed	<b>31-Mar-18</b> 4210 4210	5
State	Bhatinda Abohar Mansa	J-34 J-34 J-34	2-Apr-18 4215 Closed Closed	<b>31-Mar-18</b> 4210 4210 4180	5
State	Bhatinda Abohar Mansa Muktsar	J-34 J-34 J-34 J-34	2-Apr-18 4215 Closed Closed Closed	31-Mar-18 4210 4210 4180 NR	5

# **Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals	(Quintal)	Change
State	Centre	Variety	2-Apr-18	31-Mar-18	Change
	Ahmedabad	Shankar-6	51000	Closed	-
	Gondal	Shankar-6	NR	Closed	-
	Rajkot	B.T. Cotton	1200	Closed	-
Gujarat	Patan	B.T. Cotton	NR	Closed	-
	Kadi	B.T. Cotton	50000	45000	5000
	Deesa	B.T. Cotton	NA	Closed	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Dani'al	Fazilika	B.T. Cotton	Closed	NR	-
Punjab	Muktsar	B.T. Cotton	Closed	NR	-
	Bhiwani	B.T. Cotton	1500	1000	500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	3000	-
Haryana	Fatehabad	B.T. Cotton	600	800	-200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	1000	300	700
Kajastnan	Rawatsar	B.T. Cotton	NR	1000	-
Madhya Pradesh	Khandwa	Mech-1	300	Closed	-
waunya Frauesii	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	2100	Closed	-
iviaiidi dəiili a	Jamner	Medium Staple	NR	NR	-



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Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ottai i iauesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NR	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Aliuliia Plauesii	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	5343	NA	-
Wanna talla	Hubli	D.C.H.	NA	NA	-
Karnataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity		Lint	Arrivals	Arrivals (Quintal)	
State	Centre	Variety	2-Apr-18	31-Mar-18	Change
	Bhatinda	J-34	1700	3400	-1700
Punjab	Abohar	J-34	Closed	340	-
	Mansa	J-34	Closed	340	-
Haryana	Sirsa	J-34	NA	340	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

## **DOMESTIC PRICES AND ARRIVALS**

Cotton Association of India Spot Rates:									
Trade Name	Staple	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Change			
Trade Name	Staple	Wilcronaire	GPT	31-Mar-18	30-Mar-18	Change			
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42200	42200	Unch			
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42700	42700	Unch			
J-34(202)	26mm	3.5 - 4.9	23	39700	39700	Unch			
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37100	37100	Unch			
Shankar-6(105)	29mm	3.5 – 4.9	28	40600	40700	-100			
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41500	41500	Unch			
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43100	43100	Unch			
DCH-32(107)	34mm	3.0 - 3.8	33	53600	53600	Unch			

### **Cotton Seed Oil Prices**

Centre	Unit	P	Change	
Centre	Onit	2-Apr-18	31-Mar-18	Change
Rajkot	Rs. /10 Kg.	750	740	10
New Delhi	Rs. /10 Kg.	735	725	10
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	765	760	5





### **Cotton Seed Oil Seed Cake Prices**

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

Centre	Unit	Р	rice	Change
Centre	Offic	2-Apr-18	31-Mar-18	Change
Mahesana (Kadi)	Rs./Qtl	1402	Closed	-
Akola	Rs./Qtl	1420	Closed	-

### **INTERNATIONAL PRICES AND INDICES**

China Cotton Index: As on 02-April-2018					
Index	RMB/Ton	Change			
CCIndex(328)	15533	-13			
CCIndex(527)	14566	-3			
CCIndex(229)	16155	-2			
RMB -Renminbi, 1RMB =0.16 \$U.S.					

China Foreign Cotton (FCE) Index : As on 02-April-2018					
Index	Cents/lb	Change			
FC Index (S)	94.30	0.13			
FC Index (M)	90.80	0.01			
FC Index (L)	89.94	Unch			

Cotlook Index: As on 29-March-2018				
Cotlook Indices	Cents/Pound	Change		
A-Index	89.95	-1.35		

USDA Cotton Spot Rates: As on 29-March-2018						
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals			
	cen	Bales				
Southeast	81.96	84.21	NIL			
North Delta	80.46	82.21	NIL			
South Delta	80.46	82.21	NIL			
East TX-OK	76.00	77.75	4022			
West Texas	75.25	77.25	796			
Desert SW	76.46	80.46	NIL			
SJ Valley	76.96	85.86	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.): Ason30-March-2018							
Contract	Open	High	Low	Close	Change		
18-Mar	80.74	82.2	80.68	81.46	0.72		
18-May	81.18	82.51	81.08	81.8	0.62		
18-Jul	79.23	79.23	79.23	79.23	-0.08		
18-Oct	76.95	77.78	76.9	77.73	0.74		
18-Dec	77.22	77.93	77.13	77.82	0.59		
19-Mar	77.43	78.03	77.43	77.93	0.53		

Pakistan Cotton S	(in Pakistan Rupees)			
Product	Rate for Ex-Gin Price Up Country Sales		Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7500	145	7645
Equivalent	40 Kgs	8038	155	8193

#### Disclaimer

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