

## Domestic Fundamentals:

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

**In The News:** Rising cotton prices following the pink bollworm infestation in the cotton crops has affected margins to major textile players by ~150 bps this year.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	-8.5	918	920	903	908	2961	814	5396	-127

  

Spread	Cont (C1)		
Spot	-128	-	-
	-	-	-

Updated at 05:00 pm as on 04-Apr-2018

**MCX Cotton Futures\*: (Prices in Rs/170 kgs)**

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-18	-260	20640	20680	20150	20350	3832	3114	7712	-169
May-18	-260	20920	20960	20440	20620	1016	941	1196	177

Spread	Apr 18		-	-	--	--
Spot				-	-	-
Apr-18	-280			-	-	-

(NB: Spread Basis = Spot- Near Month Future)

\* Updated at 05:00 pm as on 04-Apr 2018

**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	4-Apr-18	3-Apr-18	
Gujarat	Ahmedabad	Shankar-6	5300	5300	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5250	5240	10
	Patan	B.T. Cotton	5325	5325	Unch
	Kadi	B.T. Cotton	5250	5000	250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5000	5050	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4900	NR	-
	Fatehabad	B.T. Cotton	4925	4925	Unch
	Jind	B.T. Cotton	5000	5000	Unch
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	4700	4935	-235
Rajasthan	Hanumangarh	B.T. Cotton	4900	4900	Unch
	Rawatsar	B.T. Cotton	4800	4770	30
Madhya Pradesh	Khandwa	Mech-1	5100	5200	-100
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5100	5200	-100
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4500	4470	30
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	5333	-
	Hubli	D.C.H.	NA	3701	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	4-Apr-18	3-Apr-18	
Punjab	Bhatinda	J-34	4230	4220	10
	Abohar	J-34	4235	4230	5
	Mansa	J-34	4200	4200	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4215	4215	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	3995	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	4-Apr-18	3-Apr-18	
Gujarat	Ahmedabad	Shankar-6	76500	51000	25500
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	1800	1050	750
	Patan	B.T. Cotton	2883	1694	1189
	Kadi	B.T. Cotton	55000	55000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	700	1000	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5000	NR	-
	Fatehabad	B.T. Cotton	1300	1200	100
	Jind	B.T. Cotton	255	170	85
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	70	90	-20
Rajasthan	Hanumangarh	B.T. Cotton	400	200	200
	Rawatsar	B.T. Cotton	400	500	-100
Madhya Pradesh	Khandwa	Mech-1	350	300	50
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	2300	1800	500
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	2571	2743	-172
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	2966	-
	Hubli	D.C.H.	NA	32	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>4-Apr-18</b>	<b>3-Apr-18</b>	
Punjab	Bhatinda	J-34	3400	2550	850
	Abohar	J-34	680	510	170
	Mansa	J-34	850	1700	-850
Haryana	Sirsa	J-34	850	1190	-340
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				3-Apr-18	2-Apr-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42700	42700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43200	43200	Unch
J-34(202)	26mm	3.5 - 4.9	23	40000	40000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37400	37400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	40800	40800	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41700	41700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43300	43300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	53600	53600	Unch

### Cotton Seed Oil Prices

Centre	Unit	Price		Change
		4-Apr-18	3-Apr-18	
Rajkot	Rs. /10 Kg.	748	745	3
New Delhi	Rs. /10 Kg.	730	735	-5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	770	778	-8

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

Centre	Unit	Price		Change
		4-Apr-18	3-Apr-18	
Mahesana (Kadi)	Rs./Qtl	1400	1405	-5
Akola	Rs./Qtl	1411	1424	-13

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 04-April-2018**

Index	RMB/Ton	Change
CCIndex(328)	15522	-9
CCIndex(527)	14557	-9
CCIndex(229)	16141	-12
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 3-April-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	90.20	0.50

**USDA Cotton Spot Rates: As on 3-April-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	82.52	84.77	NIL
North Delta	81.02	82.77	NIL
South Delta	81.02	82.77	NIL
East TX-OK	76.50	78.25	9913
West Texas	75.75	77.75	2073
Desert SW	77.02	81.02	NIL
SJ Valley	77.52	86.42	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.): Ason 3-April-2018**

Contract	Open	High	Low	Close	Change
18-Mar	80.97	82.81	80.97	82.02	1.05
18-May	81.30	82.71	81.28	82.01	0.74
18-Jul	79.51	79.51	79.51	79.51	0.62
18-Oct	77.45	78.00	77.44	78.00	0.51
18-Dec	77.75	78.27	77.75	78.27	0.46
19-Mar	77.91	78.30	77.89	78.30	0.38

**Pakistan Cotton Spot rates: As on 03-April-2018**

(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

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