

Domestic Fundamentals:

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

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)	4	910	915	907.5	913	994	-1967	5357	-39

Spread	Cont (C1)		
Spot	-135	-	-
	-	-	-

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

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-18	70	20330	20450	20310	20400	816	-3016	7674	-38
May-18	50	20620	20720	20590	20660	205	-811	1257	61

Spread	Apr 18		-	-	--	--
Spot				-	-	-
Apr-18	-270			-	-	-

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

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

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	5-Apr-18	4-Apr-18	
Gujarat	Ahmedabad	Shankar-6	5300	5300	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	NR	5250	-
	Patan	B.T. Cotton	5235	5325	-90
	Kadi	B.T. Cotton	5275	5250	25
	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	5050	5000	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4850	4900	-50
	Fatehabad	B.T. Cotton	4880	4925	-45
	Jind	B.T. Cotton	5000	5000	Unch
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NR	4700	-
Rajasthan	Hanumangarh	B.T. Cotton	4914	4900	14
	Rawatsar	B.T. Cotton	4745	4800	-55
Madhya Pradesh	Khandwa	Mech-1	NR	5100	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5100	-100
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	4500	-
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	5411	5359	52
	Hubli	D.C.H.	NA	3500	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	5-Apr-18	4-Apr-18	
Punjab	Bhatinda	J-34	4225	4230	-5
	Abohar	J-34	4200	4235	-35
	Mansa	J-34	4175	4200	-25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4180	4215	-35
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	5-Apr-18	4-Apr-18	
Gujarat	Ahmedabad	Shankar-6	47600	76500	-28900
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	NR	1800	-
	Patan	B.T. Cotton	3523	2883	640
	Kadi	B.T. Cotton	50000	55000	-5000
	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	1500	700	800
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5015	5000	15
	Fatehabad	B.T. Cotton	2300	1300	1000
	Jind	B.T. Cotton	272	255	17
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NR	70	-
Rajasthan	Hanumangarh	B.T. Cotton	500	400	100
	Rawatsar	B.T. Cotton	1000	400	600
Madhya Pradesh	Khandwa	Mech-1	NR	350	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1600	2300	-700
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	2571	-

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	4080	3077	1003
	Hubli	D.C.H.	NA	9	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	5-Apr-18	4-Apr-18	
Punjab	Bhatinda	J-34	3400	3400	Unch
	Abohar	J-34	680	680	Unch
	Mansa	J-34	850	850	Unch
Haryana	Sirsa	J-34	850	850	Unch
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
				4-Apr-18	3-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	39600	40000	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37000	37400	-400
Shankar-6(105)	29mm	3.5 - 4.9	28	40500	40800	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41400	41700	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43100	43300	-200
DCH-32(107)	34mm	3.0 - 3.8	33	53300	53600	-300

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		5-Apr-18	4-Apr-18	
Rajkot	Rs. /10 Kg.	740	748	-8
New Delhi	Rs. /10 Kg.	730	730	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	775	770	5

Cotton Seed Oil Seed Cake Prices

Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		5-Apr-18	4-Apr-18	
Mahesana (Kadi)	Rs./Qtl	1394	1400	-6
Akola	Rs./Qtl	1399	1411	-12

INTERNATIONAL PRICES AND INDICES

<u>China Cotton Index: As on 04-April-2018</u>		
Index	RMB/Ton	Change
CCIndex(328)	15522	-9
CCIndex(527)	14557	-9
CCIndex(229)	16141	-12
RMB -Renminbi, 1RMB =0.16 \$U.S.		

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

<u>Cotlook Index: As on 4-April-2018</u>		
Cotlook Indices	Cents/Pound	Change
A-Index	91.20	1.00

<u>USDA Cotton Spot Rates: As on 4-April-2018</u>			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	80.14	82.39	NIL
North Delta	78.64	80.39	NIL
South Delta	78.64	80.39	NIL
East TX-OK	74.00	75.75	2774
West Texas	73.25	75.25	1935
Desert SW	74.64	78.64	NIL
SJ Valley	75.14	84.04	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.): Ason4-April-2018

Contract	Open	High	Low	Close	Change
18-Mar	82.10	82.31	78.62	79.64	-2.38
18-May	82.02	82.20	78.55	79.72	-2.29
18-Jul	78.16	78.16	78.16	78.16	-1.35
18-Oct	77.99	78.00	75.90	76.82	-1.18
18-Dec	78.17	78.23	76.50	77.27	-1.00
19-Mar	77.51	77.60	76.95	77.60	-0.70

Pakistan Cotton Spot rates: As on 04-April-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7300	145	7445
Equivalent	40 Kgs	7823	155	7978

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