

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.



International Fundamentals

China sells 16,247 tons of cotton at auction of state reserves at average price of 14,155 yuan (\$2,252.58) per ton, according to industry website. The sales represent 54.15 percent of the cotton available for auction. – Reuters

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).

	NCDEX Kapas Futures*: (Prices in Rs/20kg)								
Contract	+/- 4	Open 910	High 915	Low 907.5	Close 913	Volume 994	Change -1967	01 5357	Change -39
Cont. (C1)									
Spread	Spread Cont (C1)								
Spot	t -135								
Updated at 05:00 pm as on 05–Apr-2018									



50 20620 20720 20590 20660 205 -811 1257 61	Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Spread Apr 18 Apr-18 -270	Apr-18	70	20330	20450	20310	20400	816	-3016	7674	-38
Spot - - - Apr-18 -270 - - - -	May-18	50	20620	20720	20590	20660	205	-811	1257	61
Spot - - - Apr-18 -270 - - - -										
Apr-18 -270	Spread	A	or 18							
140 = 1 = 12	Spot									
(NB: Spread Basis = Spot- Near Month Future)	Apr-18		270							

Cotton Prices at Key Spot Markets:

Commodity	Kapas Prices (Rs./Quintal)		Prices (Rs./Quintal)		
State	Centre	Variety	5-Apr-18	4-Apr-18	Change
	Ahmedabad	Shankar-6	5300	5300	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	NR	5250	-
Gujarat	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	-
Dunich	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5050	5000	50
	Bhiwani	Desi	NA	NA	-
Haryana	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	-
Deigothon	Hanumangarh	B.T. Cotton	4914	4900	14
Rajasthan	Rawatsar	B.T. Cotton	4745	4800	-55
Madhya Pradesh	Khandwa	Mech-1	NR	5100	-
waunya Frauesh	Khargaon	Mech-1	NR	NR	-
Moharaahtra	Amravati	Mech-1	5000	5100	-100
Maharashtra	Jamner	Medium Staple	NR	NR	-
Hitton Duo dos!	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	4500	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-



	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	5411	5359	52
Karnataka	Hubli	D.C.H.	NA	3500	-
Karnataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint Prices (Rs./Maun		s./Maund)	Change	
State	Centre	Variety	5-Apr-18	4-Apr-18	Griarige
	Bhatinda	J-34	4225	4230	-5
	Abohar	J-34	4200	4235	-35
Punjab	Mansa	J-34	4175	4200	-25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Henrene	Sirsa	J-34	4180	4215	-35
Haryana	Olisa	0 04	1.00	_	

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals	(Quintal)	Change
State	Centre	Variety	5-Apr-18	4-Apr-18	Change
	Ahmedabad	Shankar-6	47600	76500	-28900
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	NR	1800	-
Gujarat	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	-
Dunioh	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	1500	700	800
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5015	5000	15
Haryana	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	-
Deigothon	Hanumangarh	B.T. Cotton	500	400	100
Rajasthan	Rawatsar	B.T. Cotton	1000	400	600
Madhua Dradach	Khandwa	Mech-1	NR	350	-
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
•••	Amravati	Mech-1	1600	2300	-700
Maharashtra	Jamner	Medium Staple	NR	NR	-
Litter Dradoch	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	2571	-



	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Andhra Pradesh	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	4080	3077	1003
Karnataka	Hubli	D.C.H.	NA	9	-
Namataka	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	Change
	Bhatinda	J-34	3400	3400	Unch
Punjab	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	Stanla	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Change		
Trade Name	Staple	Wilcronaire	GPT	4-Apr-18	3-Apr-18	Change		
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	Pr	Chango	
Centre	Onit	5-Apr-18	4-Apr-18	Change
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:

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

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 4-April-2018					
Cotlook Indices	Cents/Pound	Change			
A-Index	91.20	1.00			

USDA Cotton Spot Rates: As on 4-April-2018							
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals				
	cent	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 S	(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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