

Domestic Fundamentals:

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

In The News: As per Agriwatch estimates, cotton acreage in the southern states might decline by 8-10% in 2018-19, because of losses this year, but a part of it will be made up by the northern states. Overall we- expect the national acreage to decline by about 3%. Current year's yields in southern states were affected by pink bollworm attacks.

According to trade sources, India is looking to sell 2.5 million to 3 million bales, each of 170 kg, to China in the next season beginning in October, up from around 800,000 bales of expected exports in the 2017/18 marketing year.

Cotton prices which are currently ruling in the range of Rs 40,000-40,800 per candy (each of 356 kg) may cross Rs 45,000 by the end of May.

Cotton sowing commenced officially from April 1 in Punjab, the state agriculture department is yet to release the list of varieties recommended by the Punjab Agricultural University (PAU), Ludhiana. PAU-recommended varieties of hybrid BT cotton seed are also approved by the genetic engineering appraisal committee (GEAC).

India, the world's second-biggest cotton exporter, is hoping to treble shipments of the fibre to China next year as Beijing seeks to replenish stockpiles and imposes a 25 per cent import tax on cargoes from the United States.

The trade war between the US and China could provide opportunities for Indian Oilseed meals and Cotton producers in the Asian country's market, industry sources said.

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.



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 Cont. (C1)	+/-	Open 933	High 938.5	Low 921	Close 925.5	Volume 2707	Change 341	01 5357	Change 33
					<u> </u>	l		l	
Spread		Cont	(C1)						
Spot		-118	3.5						
			Update	ed at 05:00) pm as on (07–Apr-2018			



Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-18	130	20580	20680	20500	20620	1756	515	7517	-92
May-18	120	20900	20950	20780	20880	288	72	1297	-1
	1			1	,	1		1	ı
Spread	Ap	or 18							
Spot									
Apr-18	-:	270							
(NB: Spread Basis = Spot- Near Month Future)									

Cotton Prices at Key Spot Markets:

Commodity	Kapas Prices (R		s./Quintal)	Change	
State	Centre	Variety	7-Apr-18	6-Apr-18	Change
	Ahmedabad	Shankar-6	5300	5300	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5285	5250	35
Gujarat	Patan	B.T. Cotton	NR	5430	-
	Kadi	B.T. Cotton	5250	5300	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	5200	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5050	5050	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	4900	-
Haryana	Fatehabad	B.T. Cotton	4925	4950	-25
	Jind	B.T. Cotton	NR	5050	-
	Uchana	B.T. Cotton	NR	4912	-
	Dabwali	B.T. Cotton	4700	4700	Unch
Rajasthan	Hanumangarh	B.T. Cotton	4900	NR	-
Kajastilali	Rawatsar	B.T. Cotton	4775	NR	-
Madhya Pradesh	Khandwa	Mech-1	Closed	NR	-
Mauriya Frauesii	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5075	5050	25
Wanarashu a	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4500	4500	Unch
	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	NA	5375	-
Karnataka	Hubli	D.C.H.	NA	3701	-
Karnataka	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	7-Apr-18	6-Apr-18	Change
	Bhatinda	J-34	4225	4230	-5
	Abohar	J-34	4230	4245	-15
Punjab	Mansa	J-34	4220	4210	10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
	Sirsa	J-34	4205	4215	-10
Haryana	Sirsa	0-04	7200	7210	

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals	Arrivals (Quintal)		
State	Centre	Variety	7-Apr-18	6-Apr-18	Change	
	Ahmedabad	Shankar-6	42500	42500	Unch	
	Gondal	Shankar-6	NR	NR	-	
	Rajkot	B.T. Cotton	3200	3100	100	
Gujarat	Patan	B.T. Cotton	NR	3100	-	
	Kadi	B.T. Cotton	35000	50000	-15000	
	Deesa	B.T. Cotton	NA	NA	-	
	Dhrol	B.T. Cotton	NR	181	-	
Dunich	Fazilika	B.T. Cotton	NR	NR	-	
Punjab	Muktsar	B.T. Cotton	NR	NR	-	
	Bhiwani	B.T. Cotton	1500	1200	300	
	Bhiwani	Desi	NA	NA	-	
	Adampur	B.T. Cotton	NR	6000	-	
Haryana	Fatehabad	B.T. Cotton	1800	1800	Unch	
	Jind	B.T. Cotton	NR	170	-	
	Uchana	B.T. Cotton	NR	1040	-	
	Dabwali	B.T. Cotton	30	37	-7	
Deigothon	Hanumangarh	B.T. Cotton	500	NR	-	
Rajasthan	Rawatsar	B.T. Cotton	200	NR	-	
Madhya Pradesh	Khandwa	Mech-1	Closed	NR	-	
wadnya Pradesh	Khargaon	Mech-1	NR	NR	-	
Maharashtra	Amravati	Mech-1	1800	2000	-200	
wanarasntra	Jamner	Medium Staple	NR	NR	-	
Litter Bradoch	Hathras	B.T. Cotton	NA	NA	-	
Uttar Pradesh	Hathras	Desi	NA	NA	-	
Telangana	Adilabad	Un-Ginned	2416	NA	-	



	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	NA	2578	-	
Karnataka	Hubli	D.C.H.	NA	30	-	
	Hubli	B.T. Cotton	NA	NA	-	
	Raichur	H-44 Cotton	NA	NA	-	
Commodity	Lin	t	Arrivals (Quintal)		Change	
State	Centre	Variety	7-Apr-18	6-Apr-18	Change	
	Bhatinda	J-34	3400	2550	850	
Punjab	Abohar	J-34	680	1020	-340	
	Mansa	J-34	850	1360	-510	
	1	1.04	600	340	340	
Haryana	Sirsa	J-34	680	340	340	

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	6-Apr-18	5-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	40000	39600	400		
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	37500	37000	500		
Shankar-6(105)	29mm	3.5 – 4.9	28	40900	40500	400		
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41800	41400	400		
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43500	43100	400		
DCH-32(107)	34mm	3.0 - 3.8	33	53600	53300	300		

Cotton Seed Oil Prices

Centre	Unit	Pri	Change	
Centre	Offic	7-Apr-18	6-Apr-18	Change
Rajkot	Rs. /10 Kg.	745	740	5
New Delhi	Rs. /10 Kg.	730	730	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	772	772	Unch





Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Pri	Chango	
Centre	Offic	7-Apr-18	6-Apr-18	Change
Mahesana (Kadi)	Rs./Qtl	1400	1400	Unch
Akola	Rs./Qtl	1413	1407	6

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 03-April-2018						
Index	Cents/lb	Change				
FC Index (S)	94.74	0.44				
FC Index (M)	91.14	0.34				
FC Index (L)	90.44	0.50				

Cotlook Index: As on 06-April-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	92.05	3.00

USDA Cotton Spot Rates: As on 06-April-2018							
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals				
	cent	Bales					
Southeast	85.29	83.04	NIL				
North Delta	83.29	81.54	NIL				
South Delta	83.29	81.54	NIL				
East TX-OK	77.50	75.75	12460				
West Texas	77.00	75.00	2241				
Desert SW	81.54	77.54	NIL				
SJ Valley	86.94	78.04	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.): Ason06-April-2018							
Contract	Open	High	Low	Close	Change		
18-Mar	82.00	83.46	81.8	82.54	-0.03		
18-May	81.89	83.04	81.44	82.18	0.03		
18-Jul	79.72	79.72	79.72	79.72	-0.19		
18-Oct	77.62	78.14	77.5	77.94	0.07		
18-Dec	78.02	78.25	77.72	78.12	0.03		
19-Mar	78.21	78.34	77.81	78.34	0.04		

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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