

## 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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	2	933	938.5	921	925.5	2707	341	5357	33

  

Spread	Cont (C1)		
Spot	-118.5	-	-
	-	-	-

  

Updated at 05:00 pm as on 07-Apr-2018

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

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

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

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

\* Updated at 05:00 pm as on 07-Apr 2018

**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	7-Apr-18	6-Apr-18	
Gujarat	Ahmedabad	Shankar-6	5300	5300	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5285	5250	35
	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	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5050	5050	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	4900	-
	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	-
	Rawatsar	B.T. Cotton	4775	NR	-
Madhya Pradesh	Khandwa	Mech-1	Closed	NR	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5075	5050	25
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4500	4500	Unch
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	5375	-
	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	7-Apr-18	6-Apr-18	
Punjab	Bhatinda	J-34	4225	4230	-5
	Abohar	J-34	4230	4245	-15
	Mansa	J-34	4220	4210	10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4205	4215	-10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	7-Apr-18	6-Apr-18	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	3200	3100	100
	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	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	1500	1200	300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	6000	-
	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
Rajasthan	Hanumangarh	B.T. Cotton	500	NR	-
	Rawatsar	B.T. Cotton	200	NR	-
Madhya Pradesh	Khandwa	Mech-1	Closed	NR	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1800	2000	-200
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	2416	NA	-

<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	NA	2578	-
	Hubli	D.C.H.	NA	30	-
	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>7-Apr-18</b>	<b>6-Apr-18</b>	
<b>Punjab</b>	Bhatinda	J-34	3400	2550	850
	Abohar	J-34	680	1020	-340
	Mansa	J-34	850	1360	-510
<b>Haryana</b>	Sirsa	J-34	680	340	340
<b>Rajasthan</b>	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
				6-Apr-18	5-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	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	Price		Change
		7-Apr-18	6-Apr-18	
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 Seed Cake Prices

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

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

**INTERNATIONAL PRICES AND INDICES**

<u><b>China Cotton Index: As on 04-April-2018</b></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><b>China Foreign Cotton (FCE) Index : As on 03-April-2018</b></u>		
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

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

<u><b>USDA Cotton Spot Rates: As on 06-April-2018</b></u>			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		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 Spot rates: As on 06-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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