

#### **Domestic Fundamentals:**

Market Outlook: Cotton spot market prices were noticed firm on Monday.

**In The News:** Agriculture company Monsanto suffered a loss in India. Last week when the High Court of Delhi concluded that the company's patent on genetically modified cotton seeds is not valid. The High Court backed Indian agribusiness Nuziveedu in its dispute, which included a patent opposition, with Monsanto.

According to trade sources, With Indian cotton selling at discounts of 7-10 cents per pound, there is demand for all qualities of cotton.

The area under Cotton cultivation in India likely to go down by 10-15% this year as farmers are expected to shift to Soyabean that gives better returns and because of the risk of pink bollworm attack, industry sources said.

Cotton Association of India has released its March estimate of the 2017-18 crop year beginning from 1<sup>st</sup> October 2017-18. In this latest estimate, the CAI has estimated cotton crop for the ongoing 2017-18 season at 360 lakh bales of 170 kgs. each, which is lower by 2 lakh bales – one lakh bales each in the states of Maharashtra and Karnataka

Indian mills have exported more than 1 .5 lakh bales of cotton to china during last 10 days since the trade war between China and US broke out.

90% cotton crop has arrived in the markets and new crop season already set in, the estimate for cotton arrival has been lowered fifth time for Punjab. On other hand, the estimates have been revised upwards in the neighbouring states of Haryana and Rajasthan.

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.



#### **International Fundamentals**

In 2018/19, Post forecasts Australian cotton production to reach 4.7 million bales from a harvested area of 450,000 hectares. This compares to 4 million bales in 2017/18 from a revised harvested area of 470,000 hectares due to poor seasonal conditions. Exports are forecast at 4.4 million bales in 2018/19as a result of the larger harvest and strong international demand. (Source: FAS report)

From March 12 to April 13, the cumulative turnover of cotton reserves was 411,600 tons, with a turnover rate of 57.15%.

According to China Cotton Association, survey China Cotton plantings seen falling 4% in 2018-19 to 2.8 Mln ha as farmers respond to lower prices last year.

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.

Contract		110	NCDEX Kapas Futures*: (Prices in Rs/20kg)							
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change	
Cont. (C1)	5	915	922	914.5	921	388	-659	4241	38	
Spread		Cont	(C1)							
Spot		-142								
Lindated at 05:00 per accord 40 Apr 2040										
Updated at 05:00 pm as on 16–Apr-2018										



Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-18	50	20840	20980	20820	20920	1507	272	6354	-791
May-18	40	21130	21270	21110	21210	1255	339	3438	806
		,		1		1			
Spread	A	or 18							
Spot									
Apr-18	-:	290							
(NB: Spread Basis = Spot- Near Month Future)									

# **DOMESTIC PRICES AND ARRIVALS**

# **Cotton Prices at Key Spot Markets:**

Commodity	Кар	as	Prices (Rs	s./Quintal)	Change
State	Centre	Variety	16-Apr-18	14-Apr-18	Change
	Ahmedabad	Shankar-6	5450	5450	Unch
	Gondal	Shankar-6	5245	5225	20
	Rajkot	B.T. Cotton	5320	5290	30
Gujarat	Patan	B.T. Cotton	NR	5355	-
	Kadi	B.T. Cotton	5250	5300	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5220	5195	25
Duniek	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5000	5000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
Haryana	Fatehabad	B.T. Cotton	5000	4920	80
	Jind	B.T. Cotton	NA	NR	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4880	4900	-20
Najasiiiaii	Rawatsar	B.T. Cotton	4950	NA	-
Madhya Pradesh	Khandwa	Mech-1	5050	Closed	-



	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
wanarasntra	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ottal Frauesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Aliullia Flauesii	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NR	NR	-
Karnataka	Hubli	D.C.H.	NR	NR	-
Namataka	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	NR	-
Commodity		Lint	Prices (R	Prices (Rs./Maund)	
State	Centre	Variety	16-Apr-18	14-Apr-18	Change
	Bhatinda	J-34	4260	4230	30
	Abohar	J-34	4260	4230	30
Punjab	Mansa	J-34	4210	4170	40
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4240	4215	25
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

# **Cotton Arrivals in Key Centers:**

Commodity	Кара	ns	Arrivals	(Quintal)	Changa
State	Centre	Variety	16-Apr-18	14-Apr-18	Change
	Ahmedabad	Shankar-6	42500	35700	6800
	Gondal	Shankar-6	857	405	452
	Rajkot	B.T. Cotton	2800	2400	400
Gujarat	Patan	B.T. Cotton	NR	3479	-
	Kadi	B.T. Cotton	40000	40000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	149	98	51
Punjab	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	800	1200	-400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
Haryana	Fatehabad	B.T. Cotton	150	800	-650
	Jind	B.T. Cotton	NA	NR	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-



Balasthan	Hanumangarh	B.T. Cotton	100	100	Unch
Rajasthan	Rawatsar	B.T. Cotton	1000	NA	-
Madhya Dradaah	Khandwa	Mech-1	300	Closed	-
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	Closed	Closed	-
ivialiai asiiti a	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ottal Pladesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Anunia Frauesii	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NR	NR	-
Karnataka	Hubli	D.C.H.	NR	NR	-
Namalaka	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	NR	-
Commodity		Lint	Arrivals	(Quintal)	Change
State	Centre	Variety	16-Apr-18	14-Apr-18	Change
	Bhatinda	J-34	1700	1700	Unch
Punjab	Abohar	J-34	510	510	Unch
	Mansa	J-34	680	340	340
Haryana	Sirsa	J-34	340	340	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

# **DOMESTIC PRICES AND ARRIVALS**

Cotton Association of India Spot Rates:							
Trade Name	Ctomlo	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Change	
Trade Name	Staple	Wilcronaire	GPT	14-Apr-18	13-Apr-18	Change	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	43100	43100	Unch	
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43600	43600	Unch	
J-34(202)	26mm	3.5 - 4.9	23	40200	40200	Unch	
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38000	38000	Unch	
Shankar-6(105)	29mm	3.5 – 4.9	28	41400	41400	Unch	
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42500	42500	Unch	
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44200	44200	Unch	
DCH-32(107)	34mm	3.0 - 3.8	33	54200	54200	Unch	



# **Cotton Seed Oil Prices**

Centre	Unit	Pr	Changa	
Centre	16-Apr-18 14-Apr-18		14-Apr-18	Change
Rajkot	Rs. /10 Kg.	740	742	-2
New Delhi	Rs. /10 Kg.	725	725	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	770	772	-2

### **Cotton Seed Oil Seed Cake Prices**

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

Centre	Unit	Pri	Change	
Centre	Onit	16-Apr-18	14-Apr-18	Change
Mahesana (Kadi)	Rs./Qtl	NR	1437	-
Akola	Rs./Qtl	NR	1411	-

#### **INTERNATIONAL PRICES AND INDICES**

China Cotton Index: As on 16-April-2018						
Index	RMB/Ton	Change				
CCIndex(328)	15485	-1				
CCIndex(527)	14531	1				
CCIndex(229)	16115	3				
RMB -Renminbi, 1RMB =0.16 \$U.S.						

China Foreign Cotton (FCE) Index : As on 13-April-2018					
Index	Cents/lb	Change			
FC Index (S)	95.97	-0.30			
FC Index (M)	92.16	-0.28			
FC Index (L)	91.56	-0.25			

Cotlook Index: As on 13-April-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	92.95	-0.10

USDA Cotton Spot Rates: As on 13-April-2018				
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals	
	cent	Bales		
Southeast	83.91	86.16	NIL	
North Delta	82.41	84.16	2942	



South Delta	82.41	84.16	NIL
East TX-OK	76.00	77.75	5817
West Texas	75.00	76.75	3455
Desert SW	78.41	82.41	NIL
SJ Valley	78.91	87.81	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 13-April-2018					
Contract	Open	High	Low	Close	Change
18-May	83.83	84.45	83.06	83.41	-0.28
18-Jul	83.04	83.64	82.9	83.35	0.35
18-Oct	79.45	79.45	78.93	79.11	-0.18
18-Dec	78.79	78.97	78.63	78.91	0.08
19-Mar	78.91	79.04	78.72	79.03	0.12
19-May	78.9	79.02	78.73	79.01	0.15

Pakistan Cotton Spot rates: As on 14-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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