

#### **Domestic Fundamentals:**

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

**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**

USDA 2018 cotton sowing progress, week ended April 16, showed8% of the total area planted vs 8% last year. Arzona, Texas, California and Georgia begun planting.

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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/- -4	Open 918	High 935.5	Low 916	Close 917	Volume 935	Change 547	<b>O</b> I 3792	Change -449
Cont. (C1)									
Spread	Cont (C1)								
Spot		-130	0.5						
Updated at 05:00 pm as on 17–Apr-2018									



Spread Apr 18	Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Spread Apr 18 Apr-18 -320	Apr-18	-50	20910	20940	20850	20860	790	-717	5968	-386
Spot - - -   Apr-18 -320 - - -	May-18	-50	21200	21260	21150	21160	678	-577	3908	470
Spot - - -   Apr-18 -320 - - -										
Apr-18 -320	Spread	A	or 18							
140	Spot									
	Apr-18		320							
(NB: Spread Basis = Spot- Near Month Future)										

## **DOMESTIC PRICES AND ARRIVALS**

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

Commodity	Ka	pas	Prices (R	s./Quintal)	Change
State	Centre	Variety	17-Apr-18	16-Apr-18	Change
	Ahmedabad	Shankar-6	5400	5450	-50
	Gondal	Shankar-6	5255	5245	10
	Rajkot	B.T. Cotton	5330	5320	10
Gujarat	Patan	B.T. Cotton	NR	5325	-
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5120	5220	-100
Duniah	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5050	5000	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
Haryana	Fatehabad	B.T. Cotton	5100	5000	100
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	4885	4880	5
Kajasillali	Rawatsar	B.T. Cotton	NA	4950	-
Madhya Pradesh	Khandwa	Mech-1	4950	5050	-100
IVIAUIIYA FIAUESII	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5200	Closed	-
wanalasilia	Jamner	Medium Staple	NR	NR	-



	Hathras	B.T. Cotton	NA	NA	_
Uttar Pradesh					_
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4550	4550	Unch
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Anuma Frauesii	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 (Rs./Maund)	
State	Centre	Variety	17-Apr-18	16-Apr-18	Change
	Bhatinda	J-34	4290	4260	30
	Abohar	J-34	4290	4260	30
Punjab	Mansa	J-34	4250	4210	40
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4270	4240	30
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

# **Cotton Arrivals in Key Centers:**

Commodity	Кара	ıs	Arrivals	(Quintal)	Change
State	Centre	Variety	17-Apr-18	16-Apr-18	Change
	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	582	857	-275
	Rajkot	B.T. Cotton	2400	2800	-400
Gujarat	Patan	B.T. Cotton	NR	3810	-
	Kadi	B.T. Cotton	50000	40000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	86	149	-63
Dunish	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	600	800	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
Haryana	Fatehabad	B.T. Cotton	90	150	-60
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Dejecthen	Hanumangarh	B.T. Cotton	150	100	50
Rajasthan	Rawatsar	B.T. Cotton	NA	1000	-
Madhya Pradesh	Khandwa	Mech-1	300	300	Unch





	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1300	Closed	-
ivialiai asiiti a	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Uttai Frauesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Allulla Flauesii	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	Lin	t	Arrivals (Quintal)		Chango
State	Centre	Variety	17-Apr-18	16-Apr-18	Change
	Bhatinda	J-34	1700	1700	Unch
Punjab	Abohar	J-34	510	510	Unch
	Mansa	J-34	170	680	-510
Haryana	Sirsa	J-34	255	340	-85
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	16-Apr-18	14-Apr-18	Change			
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42600	43100	-500			
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43100	43600	-500			
J-34(202)	26mm	3.5 - 4.9	23	40500	40200	300			
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38000	38000	Unch			
Shankar-6(105)	29mm	3.5 – 4.9	28	41600	41400	200			
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42700	42500	200			
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44400	44200	200			
DCH-32(107)	34mm	3.0 - 3.8	33	54500	54200	300			

## **Cotton Seed Oil Prices**

Contro	Centre Unit Price		ice	Chango
Centre	Offic	17-Apr-18	16-Apr-18	Change
Rajkot	Rs. /10 Kg.	740	740	Unch
New Delhi	Rs. /10 Kg.	725	725	Unch





Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	770	770	Unch

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

Comtro	l loit	Pri	ice	Change
Centre	Unit	17-Apr-18	16-Apr-18	Change
Mahesana (Kadi)	Rs./Qtl	1402	NR	-
Akola	Rs./Qtl	1414	NR	-

## **INTERNATIONAL PRICES AND INDICES**

China Cotton Index: As on 17-April-2018		
Index	RMB/Ton	Change
CCIndex(328)	15483	-2
CCIndex(527)	14517	-14
CCIndex(229)	16115	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 16-April-2018				
Index	Cents/lb	Change		
FC Index (S)	96.03	0.06		
FC Index (M)	92.14	-0.02		
FC Index (L)	91.56	Unch		

Cotlook Index: As on 16-April-2018				
Cotlook Indices	Cents/Pound	Change		
A-Index	92.65	-0.30		

USDA Cotton Spot Rates: As on 16-April-2018				
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals	
	cen	cents/lb.		
Southeast	83.75	86.00	NIL	
North Delta	82.25	84.00	NIL	
South Delta	82.25	84.00	NIL	
East TX-OK	76.00	77.75	5492	
West Texas	75.00	76.75	1187	
Desert SW	78.25	82.25	NIL	
SJ Valley	78.75	87.65	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 16-April-2018					
Contract	Open	High	Low	Close	Change
18-May	83.25	84.04	83	83.25	-0.16
18-Jul	83.53	83.94	83.04	83.22	-0.13
18-Oct	79.22	79.22	79.22	79.22	0.11
18-Dec	78.89	78.94	78.38	78.54	-0.37
19-Mar	78.99	78.99	78.44	78.67	-0.36
19-May	78.87	78.87	78.34	78.61	-0.40

Pakistan Cotton Spot rates: As on 16-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

#### Disclaimer

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