

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were witnessed steady to weak on Thursday.

In The News: India's cotton exports may touch 7 million bales this marketing year, a rise of 27 per cent over the earlier estimate due to a surge in demand, mainly from China, as Indian cotton is selling at discount, says the Cotton Association of India (CAI).

India's farm ministry will announce its course of action on cotton seed prices by next week after the Delhi High Court judgement that said Monsanto Technologies' patents on Bt cotton seed variety Bollgard II were not valid.

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 1st 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).

| NCDEX Kapas Futures*: (Prices in Rs/20kg) | | | | | | | | | |
|---|-------|------|------|-----|-------|--------|--------|------|--------|
| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
| Cont. (C1) | -10.5 | 902 | 906 | 895 | 896.5 | 879 | 140 | 2889 | -504 |

| | | | |
|--------|-----------|---|---|
| Spread | Cont (C1) | | |
| Spot | -157 | - | - |
| | - | - | - |

Updated at 05:00 pm as on 19-Apr-2018

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

| Contract | +/- | Open | High | Low | Close | Volume | Change | OI | Change |
|----------|------|-------|-------|-------|-------|--------|--------|------|--------|
| Apr-18 | -100 | 20630 | 20630 | 20550 | 20550 | 448 | -1055 | 4816 | -416 |
| May-18 | -100 | 20880 | 20900 | 20840 | 20840 | 292 | -857 | 4858 | 433 |

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

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

* Updated at 05:00 pm as on 19-Apr 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

| Commodity | Kapas | | Prices (Rs./Quintal) | | Change |
|----------------|-------------|---------------|----------------------|-----------|--------|
| State | Centre | Variety | 19-Apr-18 | 18-Apr-18 | |
| Gujarat | Ahmedabad | Shankar-6 | 5450 | 5450 | Unch |
| | Gondal | Shankar-6 | 5215 | NR | - |
| | Rajkot | B.T. Cotton | 5315 | 5375 | -60 |
| | Patan | B.T. Cotton | NR | NR | - |
| | Kadi | B.T. Cotton | 5250 | 5250 | Unch |
| | Deesa | B.T. Cotton | NA | NA | - |
| | Dhrol | B.T. Cotton | NR | 5220 | - |
| 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 | NR | - |
| | Fatehabad | B.T. Cotton | 5070 | 5100 | -30 |
| | Jind | B.T. Cotton | NA | NA | - |
| | Uchana | B.T. Cotton | NR | NR | - |
| | Dabwali | B.T. Cotton | NA | NA | - |
| Rajasthan | Hanumangarh | B.T. Cotton | NA | NA | - |
| | Rawatsar | B.T. Cotton | NA | NA | - |
| Madhya Pradesh | Khandwa | Mech-1 | 5000 | Closed | - |
| | Khargaon | Mech-1 | NR | NR | - |
| Maharashtra | Amravati | Mech-1 | 5050 | 5050 | Unch |
| | Jamner | Medium Staple | NR | NR | - |

| | | | | | |
|------------------|----------------|----------------|---------------------------|------------------|---------------|
| Uttar Pradesh | Hathras | B.T. Cotton | NA | NA | - |
| | Hathras | Desi | NA | NA | - |
| Telangana | Adilabad | Un-Ginned | NR | 4550 | - |
| 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 | NR | NR | - |
| | Hubli | D.C.H. | NR | NR | - |
| | Hubli | B.T. Cotton | NA | NA | - |
| | Raichur | H-44 Cotton | NR | NR | - |
| Commodity | Lint | | Prices (Rs./Maund) | | Change |
| State | Centre | Variety | 19-Apr-18 | 18-Apr-18 | |
| Punjab | Bhatinda | J-34 | 4250 | 4270 | -20 |
| | Abohar | J-34 | 4265 | 4280 | -15 |
| | Mansa | J-34 | 4200 | 4250 | -50 |
| | Muktsar | J-34 | NR | NR | - |
| | Fazilika | J-34 | NR | NR | - |
| Haryana | Sirsa | J-34 | 4240 | 4250 | -10 |
| Rajasthan | Sri-Ganganagar | J-34 | NA | NA | - |

Cotton Arrivals in Key Centers:

| | | | | | |
|------------------|---------------|----------------|---------------------------|------------------|---------------|
| Commodity | Kapas | | Arrivals (Quintal) | | Change |
| State | Centre | Variety | 19-Apr-18 | 18-Apr-18 | |
| Gujarat | Ahmedabad | Shankar-6 | 42500 | 42500 | Unch |
| | Gondal | Shankar-6 | 1009 | NR | - |
| | Rajkot | B.T. Cotton | 1750 | 1850 | -100 |
| | Patan | B.T. Cotton | NR | NR | - |
| | Kadi | B.T. Cotton | 40000 | 50000 | -10000 |
| | Deesa | B.T. Cotton | NA | NA | - |
| | Dhrol | B.T. Cotton | NR | 78 | - |
| Punjab | Fazilika | B.T. Cotton | NR | NR | - |
| | Muktsar | B.T. Cotton | NR | NR | - |
| Haryana | Bhiwani | B.T. Cotton | 400 | 800 | -400 |
| | Bhiwani | Desi | NA | NA | - |
| | Adampur | B.T. Cotton | NR | NR | - |
| | Fatehabad | B.T. Cotton | 30 | 80 | -50 |
| | Jind | B.T. Cotton | NA | NA | - |
| | Uchana | B.T. Cotton | NR | NR | - |
| | Dabwali | B.T. Cotton | NA | NA | - |
| Rajasthan | Hanumangarh | B.T. Cotton | NA | NA | - |
| | Rawatsar | B.T. Cotton | NA | NA | - |
| Madhya Pradesh | Khandwa | Mech-1 | 500 | Closed | - |

| | | | | | |
|-----------------------|----------------|----------------|---------------------------|------------------|---------------|
| | Khargaon | Mech-1 | NR | NR | - |
| Maharashtra | Amravati | Mech-1 | 1300 | 1200 | 100 |
| | Jamner | Medium Staple | NR | NR | - |
| Uttar Pradesh | Hathras | B.T. Cotton | NA | NA | - |
| | Hathras | Desi | NA | NA | - |
| Telangana | Adilabad | Un-Ginned | NR | 2374 | - |
| 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 | NR | NR | - |
| | Hubli | D.C.H. | NR | NR | - |
| | Hubli | B.T. Cotton | NA | NA | - |
| | Raichur | H-44 Cotton | NR | NR | - |
| Commodity | Lint | | Arrivals (Quintal) | | Change |
| State | Centre | Variety | 19-Apr-18 | 18-Apr-18 | |
| Punjab | Bhatinda | J-34 | 1700 | 1700 | Unch |
| | Abohar | J-34 | 255 | 510 | -255 |
| | Mansa | J-34 | NA | 170 | - |
| Haryana | Sirsa | J-34 | 170 | 170 | Unch |
| Rajasthan | 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 |
|---------------------------------------|------------|------------|------------------|---------------|---------------|--------|
| | | | | 18-Apr-18 | 17-Apr-18 | |
| Bengal Deshi (RG)/Assam Comilla (101) | Below 22mm | 5.0 - 7.0 | 15 | 41900 | 42100 | -200 |
| Bengal Deshi (SG)(201) | Below 22mm | 5.0 - 7.0 | 15 | 42400 | 42600 | -200 |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 40400 | 40600 | -200 |
| H-4/ MECH-1(105) | 28mm | 3.5 - 4.9 | 27 | 37800 | 38000 | -200 |
| Shankar-6(105) | 29mm | 3.5 - 4.9 | 28 | 41400 | 41600 | -200 |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 42500 | 42700 | -200 |
| MCU-5/ Surabhi(106) | 32mm | 3.3 - 4.9 | 31 | 44200 | 44400 | -200 |
| DCH-32(107) | 34mm | 3.0 - 3.8 | 33 | 54300 | 54500 | -200 |

Cotton Seed Oil Prices

| Centre | Unit | Price | | Change |
|-----------|-------------|-----------|-----------|--------|
| | | 19-Apr-18 | 18-Apr-18 | |
| Rajkot | Rs. /10 Kg. | 745 | 740 | 5 |
| New Delhi | Rs. /10 Kg. | 725 | 725 | Unch |

| | | | | |
|-----------|-------------|-----|-----|------|
| Hyderabad | Rs. /10 Kg. | 740 | 740 | Unch |
| Mumbai | Rs. /10 Kg. | 770 | 770 | Unch |

Cotton Seed Oil Seed Cake Prices

| Centre | Unit | Price | | Change |
|-----------------|---------|-----------|-----------|--------|
| | | 19-Apr-18 | 18-Apr-18 | |
| Mahesana (Kadi) | Rs./Qtl | 1383 | 1407 | -24 |
| Akola | Rs./Qtl | 1398 | 1405 | -7 |

INTERNATIONAL PRICES AND INDICES

| <u>China Cotton Index: As on 19-April-2018</u> | | | |
|--|--|---------|--------|
| Index | | RMB/Ton | Change |
| CCIndex(328) | | 15481 | Unch |
| CCIndex(527) | | 14518 | 1 |
| CCIndex(229) | | 16111 | -1 |
| RMB -Renminbi, 1RMB =0.16 \$U.S. | | | |

| <u>China Foreign Cotton (FCE) Index : As on 18-April-2018</u> | | |
|---|----------|--------|
| Index | Cents/lb | Change |
| FC Index (S) | 95.72 | -0.24 |
| FC Index (M) | 92.06 | -0.05 |
| FC Index (L) | 91.28 | -0.25 |

| <u>Cotlook Index: As on 18-April-2018</u> | | |
|---|-------------|--------|
| Cotlook Indices | Cents/Pound | Change |
| A-Index | 92.20 | -0.25 |

| <u>USDA Cotton Spot Rates: As on 18-April-2018</u> | | | |
|--|---------------------|---------------------|----------|
| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
| | cents/lb. | | Bales |
| Southeast | 83.11 | 85.36 | NIL |
| North Delta | 81.61 | 83.36 | NIL |
| South Delta | 81.61 | 83.36 | NIL |
| East TX-OK | 75.50 | 77.25 | 6352 |
| West Texas | 74.50 | 76.25 | 3257 |
| Desert SW | 77.61 | 81.61 | 1 |
| SJ Valley | 78.11 | 87.01 | 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 18-April-2018

| Contract | Open | High | Low | Close | Change |
|---------------|-------|-------|-------|-------|--------------|
| 18-May | 83.28 | 83.39 | 82.5 | 82.74 | -0.39 |
| 18-Jul | 82.98 | 83.17 | 82.3 | 82.61 | -0.34 |
| 18-Oct | 78.76 | 78.76 | 78.76 | 78.76 | -0.19 |
| 18-Dec | 78.4 | 78.71 | 78.14 | 78.32 | -0.08 |
| 19-Mar | 78.47 | 78.75 | 78.29 | 78.42 | -0.04 |
| 19-May | 78.45 | 78.65 | 78.4 | 78.49 | -0.02 |

Pakistan Cotton Spot rates: As on 18-April-2018

(in Pakistan Rupees)

| Product | Rate for | Ex-Gin Price | Up Country Sales | Spot Rate Karachi |
|-------------------|------------------|--------------|------------------|-------------------|
| Cotton | 37.32 Kgs | 7600 | 145 | 7745 |
| Equivalent | 40 Kgs | 8145 | 155 | 8300 |

Disclaimer

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