

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed Range-Bound on Saturday.

In The News: According to trade sources, in the past three months, the export price of India's 30S pure cotton yarn has risen by 2%, while the export price of Pakistan's cotton yarn with the same quality has decreased by 1.7%. In the coming weeks, it's expected that the price of cotton yarn will not be lowered due to the support of high level cotton prices.

Cotton exports surged 151% in March with shipment of 12.5 lakh bales (170 kg) as against just less than 5 lakh bales exported in March 2017. The first six months of 2017-18 cotton marketing year shipment aggregated 5.66 million bales as against 4.82 million bales in the corresponding months of previous marketing year.

Cotton Corporation of India (CCI) has purchased 11 lakh bales of cotton so far this cotton season (October to September) and sold four lakh bales.

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.

International Fundamentals

World Cotton consumption in 2017-18 is projected at 120.4 million bales, as per latest US Department of Agriculture (USDA) figures. This is 5% or 5.6 million bales above 2016-17.

USDA 2018 cotton sowing progress, week ended April 16, showed 8% of the total area planted vs 8% last year. Arizona, 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 2018/19 as 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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	0	887	895	885.5	891	591	137	2159	-61

Spread	Cont (C1)		
Spot	-188	-	-
	-	-	-

Updated at 05:00 pm as on 21–Apr-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-18	180	20650	20890	20610	20810	1792	938	4026	-175
May-18	200	20960	21190	20920	21120	2049	1207	5789	331

Spread	Apr 18		-	-	--	--
Spot				-	-	-
Apr-18	-300			-	-	-

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

* Updated at 05:00 pm as on 21-Apr 2018

DOMESTIC PRICES AND ARRIVALS
Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	21-Apr-18	20-Apr-18	
Gujarat	Ahmedabad	Shankar-6	5450	5400	50
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	5415	5400	15
	Patan	B.T. Cotton	5425	5660	-235
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5065	5000	65
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5100	5100	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	5100	5040	60
	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	Closed	4800	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5000	5100	-100
	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	5461	-
	Hubli	D.C.H.	NR	5211	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	5100	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	21-Apr-18	20-Apr-18	
Punjab	Bhatinda	J-34	4300	4250	50
	Abohar	J-34	4300	4260	40
	Mansa	J-34	4270	4200	70
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4285	4240	45
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
				20-Apr-18	19-Apr-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41900	41900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42400	42400	Unch
J-34(202)	26mm	3.5 - 4.9	23	40100	40100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37500	37500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	41200	41200	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	54300	54300	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		21-Apr-18	20-Apr-18	
Rajkot	Rs. /10 Kg.	755	750	5
New Delhi	Rs. /10 Kg.	725	725	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	765	770	-5

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		21-Apr-18	20-Apr-18	
Mahesana (Kadi)	Rs./Qtl	1367	1363	4
Akola	Rs./Qtl	1383	1388	-5

INTERNATIONAL PRICES AND INDICES

<u>China Cotton Index: As on 20-April-2018</u>			
Index		RMB/Ton	Change
CCIndex(328)		15482	1
CCIndex(527)		14517	-1
CCIndex(229)		16111	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.			

<u>China Foreign Cotton (FCE) Index : As on 20-April-2018</u>		
Index		Cents/lb
FC Index (S)		95.20
FC Index (M)		91.56
FC Index (L)		90.74

<u>Cotlook Index: As on 20-April-2018</u>		
Cotlook Indices		Cents/Pound
A-Index		91.95

<u>USDA Cotton Spot Rates: As on 20-April-2018</u>			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	85.23	87.48	NIL
North Delta	83.73	85.48	NIL
South Delta	83.73	85.48	NIL
East TX-OK	77.50	79.25	5899
West Texas	76.50	78.25	1716
Desert SW	79.73	83.73	NIL
SJ Valley	80.23	89.13	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

<u>ICE Cotton Futures (Prices in cents/lb.): Ason 20-April-2018</u>
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Contract	Open	High	Low	Close	Change
18-May	83.00	85.63	83.00	85.47	2.50
18-Jul	82.80	84.83	82.80	84.73	1.91
18-Oct	81.67	81.67	81.67	81.67	1.01
18-Dec	78.50	79.45	78.50	79.43	0.84
19-Mar	78.61	79.24	78.61	79.24	0.69
19-May	78.71	79.09	78.65	79.09	0.55

Pakistan Cotton Spot rates: As on 20-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

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