

### **Domestic Fundamentals:**

Market Outlook: Cotton spot market prices were noticed weak on Wednesday.

**In The News:** Cotton prices are likely to remain steady during June-October 2018 due to very tight financial situation prevailing in the spinning sector and comfortable availability of quality cotton, according to the Indian Cotton Federation here.

Bangladesh has emerged as the biggest importer of Indian cotton this season. It imported around 21 lakh bales of cotton from India overtaking China, which was largest importer of Indian cotton until now.

So far, India has exported 15 lakh bales of cotton to China. As per data provided by CAI, the country has contracted 15-20 lakh bales for exports to China. Following the trade war with the US, China has imposed tariffs on import of cotton from the US. Cotton is one of the 106 US goods on which Beijing has imposed up to 25% tariffs.

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).

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

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.



#### **International Fundamentals**

Cotton production remains marginal in Thailand totalling approximately 1,500 -1,600 metric tons (2,300 –2,500 bales) due to unattractive returns compared to other field crops like sugarcane. This production accounts for less than one percent of total demand. The government does not provide any incentives to farmers to produce cotton. The government still bans the domestic production of all transgenic (biotech) plant varieties, including cotton.

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. 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.

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract Cont. (C1)	+/- 6.5	Open 864	High 868	Low 860	<b>Close</b> 867.5	Volume 162	Change -326	01 1384	Change -236
'		1			1	1	1		
Spread		Cont	(C1)						
Spot		-204							
			Update	ed at 05:00	pm as on 2	24–Apr-2018			



Apr-18 -20 20740 20800 20660 20790 2211 1052 7674 826	Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-18  Spread Apr 18	Apr-18	-70	20460	20500	20360	20450	1722	720	1634	-1079
	May-18	-20	20740	20800	20660	20790	2211	1052	7674	826
									1	
Spot	Spread	Aŗ	or 18							
	Spot									
Apr-18 -300	Apr-18	-3	300							
(NB: Spread Basis = Spot- Near Month Future)										

## **DOMESTIC PRICES AND ARRIVALS**

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

Commodity		Kapas	Prices (R	s./Quintal)	Change
State	Centre	Variety	25-Apr-18	24-Apr-18	Change
	Ahmedabad	Shankar-6	5400	5450	-50
	Gondal	Shankar-6	5245	Closed	-
	Rajkot	B.T. Cotton	5360	5350	10
Gujarat	Patan	B.T. Cotton	5255	5300	-45
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5005	5105	-100
Dunish	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5050	5100	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4880	NR	-
Haryana	Fatehabad	B.T. Cotton	4970	5030	-60
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Deiesther	Hanumangarh	B.T. Cotton	NA	NA	-
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Dradaah	Khandwa	Mech-1	4900	4900	Unch
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5075	5150	-75
wanarasntra	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ollai Fiauesii	Hathras	Desi	NA	NA	-



Talammana	A Plat and	111. 0:	l ND	l ND	
Telangana	Adilabad	Un-Ginned	NR	NR	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Allullia Flauesii	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NR	5361	-
Karnataka	Hubli	D.C.H.	NR	3821	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	5100	-
Commodity	Lint		Prices (R	s./Maund)	
			1 11005 (11	3./Waaria/	Change
State	Centre	Variety	25-Apr-18	24-Apr-18	Change
<u> </u>	Centre Bhatinda				Change -40
· · · · · · · · · · · · · · · · · · ·		Variety	25-Apr-18	24-Apr-18	
State	Bhatinda	Variety J-34	<b>25-Apr-18</b> 4255	<b>24-Apr-18</b> 4295	-40
State	Bhatinda Abohar	J-34 J-34	<b>25-Apr-18</b> 4255 4260	<b>24-Apr-18</b> 4295 4290	-40 -30
State	Bhatinda Abohar Mansa	J-34 J-34 J-34	25-Apr-18 4255 4260 4230	24-Apr-18 4295 4290 4250	-40 -30 -20
<u> </u>	Bhatinda Abohar Mansa Muktsar	J-34 J-34 J-34 J-34	25-Apr-18 4255 4260 4230 NR	24-Apr-18 4295 4290 4250 NR	-40 -30 -20

# **Cotton Arrivals in Key Centers:**

Commodity	Кар	as	Arrivals	(Quintal)	Changa
State	Centre	Variety	25-Apr-18	24-Apr-18	Change
	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	285	Closed	-
	Rajkot	B.T. Cotton	1220	1200	20
Gujarat	Patan	B.T. Cotton	3730	3110	620
	Kadi	B.T. Cotton	35000	40000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	106	57	49
Dunioh	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	300	500	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5100	NR	-
Haryana	Fatehabad	B.T. Cotton	350	150	200
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Paiasthan	Hanumangarh	B.T. Cotton	NA	NA	-
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	350	400	-50
maunya Prauesn	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	900	1100	-200



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	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ottai Frauesii	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Aliulila Flauesii	Krishna	Un-Ginned	NA	NA	-
Karnataka	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NR	2408	-
	Hubli	D.C.H.	NR	4	-
Namataka	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	480	-
Commodity	L	.int	Arrivals (Quintal)		Ohamana
State	Centre	Variety	25-Apr-18	24-Apr-18	Change
	Bhatinda	J-34	1190	1020	170
Punjab	Abohar	J-34	170	170	Unch
	Mansa	J-34	102	170	-68
Haryana	Sirsa	J-34	85	85	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

# **DOMESTIC PRICES AND ARRIVALS**

Cotton Association of Inc	dia Spot Rates	<b>s</b> :				
Trade Name	Stonlo	Micronaire	Strength/	Rs. Per Candy	Rs. Per Candy	Changa
Trade Name	Staple	Micronaire	GPT	24-Apr-18	23-Apr-18	Change
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41800	41800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42300	42300	Unch
J-34(202)	26mm	3.5 - 4.9	23	40600	40700	-100
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38000	38000	Unch
Shankar-6(105)	29mm	3.5 – 4.9	28	41500	41700	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42800	43000	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43900	44100	-200
DCH-32(107)	34mm	3.0 - 3.8	33	54500	54500	Unch

## **Cotton Seed Oil Prices**

Centre	Unit	Pr	Change	
Centre	Onit	25-Apr-18	24-Apr-18	Change
Rajkot	Rs. /10 Kg.	745	745	Unch
New Delhi	Rs. /10 Kg.	725	725	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	770	765	5



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

Comtro	l lait	Pri	ice	Change
Centre	Unit	25-Apr-18	24-Apr-18	Change
Mahesana (Kadi)	Rs./Qtl	1278	1288	-10
Akola	Rs./Qtl	1276	1300	-24

### **INTERNATIONAL PRICES AND INDICES**

China Cotton Index: As on 25-April-2018		
Index	RMB/Ton	Change
CCIndex(328)	15456	-7
CCIndex(527)	14500	-3
CCIndex(229)	16095	-2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 24-April-2018					
Index	Cents/lb	Change			
FC Index (S)	95.50	-0.81			
FC Index (M)	92.13	-0.77			
FC Index (L)	91.47	-0.76			

Cotlook Index: As on 24-April-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	93.20	-0.60

USDA Cotton Spot Rates: As on 24-April-2018						
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals			
	cen	Bales				
Southeast	82.01	84.26	NIL			
North Delta	80.51	82.26	NIL			
South Delta	80.51	82.26	NIL			
East TX-OK	75.00	76.75	4144			
West Texas	74.00	75.75	1301			
Desert SW	76.51	80.51	NIL			
SJ Valley	77.01	85.91	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 24-April-2018							
Contract	Open	High	Low	Close	Change		
18-May	83.25	84.47	82.26	82.26	-0.93		
18-Jul	84.12	84.55	81.36	81.51	-2.61		
18-Oct	80.92	80.92	79.14	79.14	-2.02		
18-Dec	79.35	79.68	77.5	77.59	-1.76		
19-Mar	79.21	79.47	77.61	77.71	-1.50		
19-May	79.30	79.39	77.80	77.88	-1.26		

Pakistan Cotton	(in Pakistan Rupees)			
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7500	145	7645
Equivalent	40 Kgs	8038	155	8193

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