

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed Firm on Thursday.

In The News: According to trade sources, the target for sowing cotton in Maharashtra for this kharif season is 4 lakh hectares, the highest acreage is expecting from Bathinda Mansa Fazilika and Mukstar districts.

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 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

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

According to U.S weekly export sales-shipments report, China's 2018-19 cotton imports projected to climb to 6.4 million bales from 5.05 million estimated for this season.

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	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	-1.5	865	871	864	864	366	204	1012	-372
Spread		Cont (C1)							
Spot		-195							
Updated at 05:00 pm as on 26–Apr-2018									
			Update	ed at 05:00	prinas on a	26–Apr-2018			



MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-18	-10	20600	20610	20500	20590	691	-1031	1041	-593
May-18	-30	20800	20940	20610	20870	1003	-1208	8254	580
Spread	Ap	or 18							
Spot									
Apr-18	-3	330							
(NB: Spread Basis = Spot- Near Month Future)									
(NB: Spread Basis = Spot- Near Month Future) * Updated at 05:00 pm as on 26–Apr 2018									

Cotton Prices at Key Spot Markets:

Commodity		Kapas	Prices (R	s./Quintal)	Change
State	Centre	Variety	26-Apr-18	25-Apr-18	Change
	Ahmedabad	Shankar-6	5400	5400	Unch
	Gondal	Shankar-6	NR	5245	-
	Rajkot	B.T. Cotton	5430	5360	70
Gujarat	Patan	B.T. Cotton	5330	5255	75
	Kadi	B.T. Cotton	5250	5250	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	5005	-
Durrich	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5050	5050	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	4880	-
Haryana	Fatehabad	B.T. Cotton	4980	4970	10
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Deisether	Hanumangarh	B.T. Cotton	NA	NA	-
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-
Madhua Deadaah	Khandwa	Mech-1	4800	4900	-100
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharaaktra	Amravati	Mech-1	5150	5075	75
Maharashtra	Jamner	Medium Staple	NR	NR	-
Litter Drodoob	Hathras	B.T. Cotton	NA	NA	-
Uttar Pradesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-



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	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NR	5461	-
Karnataka	Hubli	D.C.H.	NR	NR	-
Nallialaka	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	5070	-
Commodity	Li	Lint		Prices (Rs./Maund)	
State	Contro	Veriety	26 Amr 19	0E Amr 40	Change
Sidle	Centre	Variety	26-Apr-18	25-Apr-18	
State	Bhatinda	J-34	4290	4255	35
		-		-	35 35
Punjab	Bhatinda	J-34	4290	4255	
	Bhatinda Abohar	J-34 J-34	4290 4295	4255 4260	35
	Bhatinda Abohar Mansa	J-34 J-34 J-34	4290 4295 4275	4255 4260 4230	35 45
	Bhatinda Abohar Mansa Muktsar	J-34 J-34 J-34 J-34 J-34	4290 4295 4275 NR	4255 4260 4230 NR	35 45 -

Cotton Arrivals in Key Centers:

Commodity		Kapas	Arrivals	(Quintal)	Change
State	Centre	Variety	26-Apr-18	25-Apr-18	Change
	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	NR	285	-
	Rajkot	B.T. Cotton	1200	1220	-20
Gujarat	Patan	B.T. Cotton	2580	3730	-1150
	Kadi	B.T. Cotton	30000	35000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	106	-
Dunich	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	300	300	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	5100	-
Haryana	Fatehabad	B.T. Cotton	80	350	-270
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Dejecthen	Hanumangarh	B.T. Cotton	NA	NA	-
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-
Madhua Dradaah	Khandwa	Mech-1	400	350	50
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1100	900	200
wanarashtra	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-



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	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Anunra Pradesh	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
	Bijapur	Bunny	NR	2385	-
Karnataka	Hubli	D.C.H.	NR	NR	-
rainatana	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	405	-
Commodity	Lint	t	Arrivals (Quintal)		Change
State	Centre	Variety	26-Apr-18	25-Apr-18	Change
	Bhatinda	J-34	1020	1190	-170
Punjab	Abohar	J-34	170	170	Unch
	Mansa	J-34	153	102	51
Haryana	Sirsa	J-34	170	85	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	Micronaire	GPT	25-Apr-18	24-Apr-18	Change		
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41400	41800	-400		
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41900	42300	-400		
J-34(202)	26mm	3.5 - 4.9	23	40200	40600	-400		
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	38000	38000	Unch		
Shankar-6(105)	29mm	3.5 – 4.9	28	41200	41500	-300		
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42500	42800	-300		
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43600	43900	-300		
DCH-32(107)	34mm	3.0 - 3.8	33	54500	54500	Unch		

Cotton Seed Oil Prices

Centre	Unit	Pr	Change		
Centre	Unit	26-Apr-18	25-Apr-18	Change	
Rajkot	Rs. /10 Kg.	755	745	10	
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

Contro	Unit	Pri	Change	
Centre	Unit	26-Apr-18	25-Apr-18	Change
Mahesana (Kadi)	Rs./Qtl	1293	1278	15
Akola	Rs./Qtl	1275	1276	-1

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 26-April-2018					
Index	RMB/Ton	Change			
CCIndex(328)	15451	-5			
CCIndex(527)	14495	-5			
CCIndex(229)	16093	-2			
RMB -Renminbi, 1RMB =0.16 \$U.S.		-			

China Foreign Cotton (FCE) Index : As on 25-April-2018					
Index	Cents/lb	Change			
FC Index (S)	94.08	-1.42			
FC Index (M)	91.06	-1.07			
FC Index (L)	90.27	-1.20			

Cotlook Index: As on 25-April-2018					
Cotlook Indices	Cents/Pound	Change			
A-Index	90.70	-2.50			

USDA Cotton Spot Rates: As on 25-April-2018						
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals			
	cent	Bales				
Southeast	84.44	86.69	NIL			
North Delta	82.94	84.69	NIL			
South Delta	82.94	84.69	NIL			
East TX-OK	77.50	79.25	2867			
West Texas	76.50	78.25	760			
Desert SW	78.94	82.94	NIL			
SJ Valley	79.44	88.34	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						



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ICE Cotton Futures (Prices in cents/Ib.): Ason 25-April-2018							
Contract	Open	High	Low	Close	Change		
18-May	83.17	84.76	82.89	84.76	2.50		
18-Jul	81.52	84.54	81.52	83.94	2.43		
18-Oct	80.89	80.89	80.89	80.89	1.75		
18-Dec	77.84	79.06	77.59	78.99	1.40		
19-Mar	77.78	78.97	77.78	78.94	1.23		
19-May	78.48	78.9	78.25	78.88	1.00		

Pakistan Cotton S	(in Pakistan Rupees)			
Product	Rate for	or 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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