

Domestic Fundamentals:

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

In The News: According to data provided by the Confederation of Indian Textile Industry, of the total commodities exports from India, the textile apparel exports share has come down by a percentage point to 12% in fiscal 2018 from 13% in the previous fiscal.

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

International Fundamentals

From March 12 to April 25, the China cumulative turnover of cotton stocks was 514,500 tons, and the turnover rate was 53.57%.

Cotlook has lowered its forecast for 2018-19 global Cotton production by 69,000 tonnes to 26.23 million tonnes owing to a change for the US which more than offset increases for Uzbekistan and Brazil. It also lowered global Cotton consumption by 103,000 tonnes to 26.77 million tonnes.

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. 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)

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).

NCDEX Kapas Futures*: (Prices in Rs/20kg)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	0	867	867.5	854	861.5	189	44	806	-44
Spread	Cont (C1)								
Spot	-214.5				-		-		
	-				-		-		

Updated at 05:00 pm as on 28-Apr-2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Apr-18	-20	20540	20590	20510	20570	413	119	752	-23
May-18	-30	20850	20890	20820	20860	941	282	8662	40

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

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

* Updated at 05:00 pm as on 28-Apr 2018

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
	State	Centre	Variety	28-Apr-18	
Gujarat	Ahmedabad	Shankar-6	5450	5450	Unch
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5410	5430	-20
	Patan	B.T. Cotton	NR	5400	-
	Kadi	B.T. Cotton	5200	5250	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NR	-
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	4880	-
	Fatehabad	B.T. Cotton	5025	5000	25
	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	5100	5125	-25
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
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	5355	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	5050	-
Commodity	Lint		Prices (Rs./Mauud)		Change
State	Centre	Variety	28-Apr-18	27-Apr-18	
Punjab	Bhatinda	J-34	4305	4290	15
	Abohar	J-34	4315	4300	15
	Mansa	J-34	4260	4270	-10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4280	4275	5
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Apr-18	27-Apr-18	
Gujarat	Ahmedabad	Shankar-6	34000	42500	-8500
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	1500	1150	350
	Patan	B.T. Cotton	NR	2772	-
	Kadi	B.T. Cotton	25000	35000	-10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	NR	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	300	300	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	400	-
	Fatehabad	B.T. Cotton	300	250	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	Closed	400	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1000	1000	Unch
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	NR	NR	-
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	1531	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	262	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Apr-18	27-Apr-18	
Punjab	Bhatinda	J-34	850	1020	-170
	Abohar	J-34	119	170	-51
	Mansa	J-34	102	85	17
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		Change
				27-Apr-18	26-Apr-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41400	41400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41900	41900	Unch
J-34(202)	26mm	3.5 - 4.9	23	40600	40500	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38600	38100	500
Shankar-6(105)	29mm	3.5 - 4.9	28	41200	41200	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43000	42500	500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44300	43500	800
DCH-32(107)	34mm	3.0 - 3.8	33	54500	54500	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		28-Apr-18	27-Apr-18	
Rajkot	Rs. /10 Kg.	745	750	-5
New Delhi	Rs. /10 Kg.	725	725	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	772	772	Unch

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		28-Apr-18	27-Apr-18	
Mahesana (Kadi)	Rs./Qtl	1276	1280	-4
Akola	Rs./Qtl	1231	1250	-19

INTERNATIONAL PRICES AND INDICES

<u>China Cotton Index: As on 28-April-2018</u>			
Index		RMB/Ton	Change
CCIndex(328)		15453	Unch
CCIndex(527)		14500	2
CCIndex(229)		16095	2
RMB -Renminbi, 1RMB =0.16 \$U.S.			

<u>China Foreign Cotton (FCE) Index : As on 27-April-2018</u>			
Index		Cents/lb	Change
FC Index (S)		96.74	0.35
FC Index (M)		93.58	0.30
FC Index (L)		93.88	1.11

<u>Cotlook Index: As on 27-April-2018</u>			
Cotlook Indices		Cents/Pound	Change
A-Index		93.45	0.25

<u>USDA Cotton Spot Rates: As on 27-April-2018</u>			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	87.26	85.01	NIL
North Delta	85.26	83.51	NIL
South Delta	85.26	83.51	NIL
East TX-OK	78.25	76.50	4090
West Texas	77.25	75.50	1047
Desert SW	83.51	79.51	NIL
SJ Valley	88.91	80.01	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 27-April-2018					
Contract	Open	High	Low	Close	Change
18-May	85.33	85.33	85.33	85.33	0.34
18-Jul	84.30	84.78	83.96	84.51	0.34
18-Oct	80.71	80.86	80.71	80.86	0.44
18-Dec	78.95	79.36	78.95	79.27	0.31
19-Mar	78.86	79.01	78.80	79.00	0.29
19-May	78.71	78.88	78.71	78.84	0.22

Pakistan Cotton Spot rates: As on 27-April-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7700	145	7545
Equivalent	40 Kgs	7931	155	8086

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