

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed Rang-bound on Wednesday.

In The News: The new genetically modified variety, PAU Bt 1, will go for trials over 3,000 acres in the current kharif season and the Punjub Agricultural University has started distributing seed packets of 400gm each free of cost, asking cotton growers to sow it over one kanal (one-eighth of an acre). The cost of three kg of seeds of prevailing Bt varieties for one acre is Rs 1,600, which is a major cost factor for farmers.

Sowing of cotton under ideal conditions, only 9,600 hectares have been covered in Punjab till April 30. Last year the crop was sown in 22,000 hectares till April end. Sowing of cotton is termed ideal till May 15 in the state. The delayed release of canal water is termed as the biggest reason behind late sowing. The canal water reached villages in Fazilka and Muktsar districts on April 29, but that too not at full capacity whereas it had reached the other cotton districts on April 21. The sowing is expected to pick up in the first week of May.

According to trade sources, many Indian cotton farmers are reportedly looking to shift to soybean during the coming kharif sowing season, as the oilseed fetched a better return last year. Expecting at least 15 per cent of cotton farmers shifting towards soybean this kharif season, for better realisation.

Currently Rs 4,700-5,500 a qtl, cotton prices moved up during the past month when export demand emerged suddenly from Bangladesh, China and Pakistan.

Gujarat cotton prices of 29 mm remained between 41,850 to 42,250 Rs,/candy.

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.

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.



International Fundamentals

In MY 2017/18, Vietnam's cotton imports are expected to reach 1.38 million metric tons (MMT), up 15 percent over MY 2016/17, as Vietnam's spinning sector continues to expand alongside its textile and garment industry.

US Crop progress report showed on Monday, 12% of the US cotton crop was planted as on Sunday, a 2% move from the week prior 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. 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)

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	+/- 6.5	Open 863.5	High 868	Low 860	Close 868	Volume 305	Change 116	01 501	Change -305
Cont. (C1)	0.5	000.0	000	000	000	303	110	301	303
Spread		Cont	(C1)						
Spot		-20	00						
						-			
			Update	ed at 05:00	opm as on	30–Apr-2018			



Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-18	50	20810	20850	20710	20840	567	564	8866	50
June-18	50	21050	21110	20980	21110	180	530	750	12
Concod	Δ.,	10							
Spread	Aŗ	or 18			-	-			
Spread Spot	Aţ	or 18			-	-			 -
		or 18			-				 - -

Cotton Prices at Key Spot Markets:

Commodity		Kapas	Prices (R	s./Quintal)	01
State	Centre	Variety	2-May-18	1-May-18	Change
	Ahmedabad	Shankar-6	5400	Closed	-
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	5395	5375	20
Gujarat	Patan	B.T. Cotton	5550	5625	-75
	Kadi	B.T. Cotton	5200	Closed	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5110	5110	Unch
Duniah	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	5000	5000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
Haryana	Fatehabad	B.T. Cotton	5060	5045	15
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NR	NR	-
	Dabwali	B.T. Cotton	NA	NA	-
Deisethan	Hanumangarh	B.T. Cotton	NA	NA	-
Rajasthan	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Bradach	Khandwa	Mech-1	NR	NR	-
Madhya Pradesh	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	4800	5100	-300
Wana asili a	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ottar Pracesh	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
	Guntur	Un-Ginned	NA	NA	-
Andhra Pradesh	Kurnool	Un-Ginned	NA	NA	-
Allulla Flauesii	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-



	Bijapur	Bunny	NR	NR	
	Hubli	D.C.H.	NR	NR	-
Karnataka	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	NR	-
Commodity		Lint		Prices (Rs./Maund)	
State	Centre	Variety	2-May-18	1-May-18	Change
	Bhatinda	J-34	4335	4330	5
	Abohar	J-34	4350	4330	20
Punjab	Mansa	J-34	4300	4200	100
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Fazilika Sirsa	J-34 J-34	NR 4310	NR 4290	20

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals	(Quintal)	Change
State	Centre	Variety	2-May-18	1-May-18	Change
	Ahmedabad	Shankar-6	34000	Closed	-
	Gondal	Shankar-6	NR	NR	-
	Rajkot	B.T. Cotton	1300	1200	100
Gujarat	Patan	B.T. Cotton	1520	3040	-1520
	Kadi	B.T. Cotton	25000	Closed	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	43	38	5
Punjab	Fazilika	B.T. Cotton	NR	NR	-
Punjab	Muktsar	B.T. Cotton	NR	NR	-
	Bhiwani	B.T. Cotton	200	300	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
Haryana	Fatehabad	B.T. Cotton	250	300	-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	-
Kajasillali	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NR	NR	-
Mauriya Frauesii	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1200	900	300
IVIAIIAI ASIILI A	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
Ottai Flaucsii	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	-
	Bijapur	Bunny	NR	NR	-
Karnataka	Hubli	D.C.H.	NR	NR	-
Namataka	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	NR	-
Commodity	Lint		Arrivals		Chango
Commodity State					Change
-	Lint		Arrivals	(Quintal)	Change Unch
-	Lint	Variety	Arrivals 2-May-18	(Quintal) 1-May-18	
State	Centre Bhatinda	Variety J-34	Arrivals 2-May-18 850	(Quintal) 1-May-18 850	Unch
State	Centre Bhatinda Abohar	Variety J-34 J-34	Arrivals 2-May-18 850 170	(Quintal) 1-May-18 850 119	Unch 51

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	Wilcronaire	GPT	30-Apr-18	28-Apr-18	Change		
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41600	41400	200		
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42100	41900	200		
J-34(202)	26mm	3.5 - 4.9	23	40800	40700	100		
H-4/ MECH-1(105)	28mm	3.5 – 4.9	27	39000	38800	200		
Shankar-6(105)	29mm	3.5 – 4.9	28	41400	41300	100		
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43000	43000	Unch		
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44300	44300	Unch		
DCH-32(107)	34mm	3.0 - 3.8	33	54500	54500	Unch		

Cotton Seed Oil Prices

Centre	Unit	Pr	Change	
Centre	Onit	2-May-18	1-May-18	Change
Rajkot	Rs. /10 Kg.	742	745	-3
New Delhi	Rs. /10 Kg.	725	725	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	765	765	Unch



Cotton Seed Oil Seed Cake Prices

Contro	l Init	Pri	Changa	
Centre	Unit	2-May-18	1-May-18	Change
Mahesana (Kadi)	Rs./Qtl	1289	1275	14
Akola	Rs./Qtl	1237	1243	-6

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 2-May-2018		
Index	RMB/Ton	Change
CCIndex(328)	15451	-2
CCIndex(527)	14499	-1
CCIndex(229)	16092	-3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 27-April-2018					
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			

Cotlook Index: As on 1-May-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	93.00	-0.70

USDA Cotton Spot Rates: As on 1-May-2018						
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals			
	cent	Bales				
Southeast	84.98	87.23	54			
North Delta	83.48	85.23	NIL			
South Delta	83.48	85.23	NIL			
East TX-OK	76.00	77.75	6921			
West Texas	74.50	76.25	999			
Desert SW	79.48	83.48	NIL			
SJ Valley	79.98	88.88	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.): Ason1-May-2018							
Contract	Open	High	Low	Close	Change		
18-May	84.66	85.3	84.66	85.12	0.44		
18-Jul	83.88	84.69	83.61	84.48	0.64		
18-Oct	80.84	80.84	80.84	80.84	0.42		
18-Dec	78.63	79.23	78.55	78.8	0.02		
19-Mar	78.40	78.92	78.30	78.36	-0.25		
19-May	78.58	78.95	78.40	78.4	-0.32		

Pakistan Cotton	(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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