

Domestic Fundamentals:

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

In The News: Arrivals in May will decline more in all markets across the country.

Still saurashtra zone has 12 lakh bales equivalent of kapas with farmers, north Gujarat has around 50,000 bales, other states like Andhra, Madhypradesh has small quantity kapas has to come.

The CAI in its latest estimates, The production figures for the states of Maharashtra and Karnataka are estimated to be higher by 2 lakh bales and 50,000 bales respectively while the production in the states of Telangana and Andhra Pradesh are now estimated lower by 1.50 lakh bales and 1 lakh bales respectively thus retaining the crop at the same level as in the previous estimate made by the CAI in the last month.

Supreme Court refused to stay a Delhi high court order which held that plant varieties, seeds cannot be patented under Indian law and that royalties would be decided by a specialized panel of agriculture ministry.

Gujarat and Saurashtra sowing depends on only rain, no early sowing possible due to water shortage, may be sowing start in mid june.

Upper Rajasthan/Punjab is about 10-15% early sowing has been done and in this month balance sowing will be done.

Gujarat market is in Range of ₹ 41500 to 42500 for good quality shankar 6 , which is now second highest Rates in India, earlier Gujarat Rates was Higher than North India.

Crop size will be Achieved as targeted by CAB that is 377 lakh and 330 arrived that is 87.55% arrived.

Indian markets have received nearly 68% of the 2017-18 total cotton crops. India is world's largest cotton producing country. Total cotton arrivals across the country stood at 25.77 million bales as against 25.50 million bales a year ago, an official from Cotton Corporation of India (CCI) said.

All India arrivals remain daily 70,000 to 75,000 bales. Limited arrivals ginneries are willing to close factory.

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The Maharashtra state government has released Rs 1,100 crore for disbursement of assistance from Wednesday (May 2) to cotton farmers in Vidarbha who had lost their crop to pink bollworm attack pushing many to suicide. The government scheme targets providing relief to 45 lakh farmers for which it has sought an estimated Rs 3,373 crore from union government.

The new genetically modified variety, PAU Bt 1, will go for trials over 3,000 acres in the current kharif season and the Punjab 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

International Fundamentals

World cotton consumption is expected to continue to grow steadily through 2018-19 to a projected 26.7 million tons from 25.5 million tons estimated in 2017-18.

Cotton prices have remained high in 2017-18 at an average of 84.63 cents per pound thus far over the course of the season. Higher prices are expected to impact planting decisions to expand area under cotton for the 2018-19 seasons.

U.S. cotton acres will be up 7% in 2018 compared to 2017 and nearly 35% from 2016, according to USDA's Prospective Plantings report. Amid low grain prices, this Southern crop is back in vogue—and it's expanding in certain states that traditionally plant row crops.

Total 2017-18 U.S sales have reached 16,429,800 bales, 2.46 million bales ahead of same week sales last year.

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.

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)

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-18	30	20750	20830	20740	20820	226	-428	8663	-24
June-18	30	21040	21110	21040	21100	36	-163	1066	17

Spread	Apr 18		-	-	--	--
Spot			-	-	-	-
May-18	-280		-	-	-	-

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

* Updated at 05:00 pm as on 09-May 2018

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	9-May-18	8-May-18	
Gujarat	Ahmedabad	Shankar-6	5450	5500	-50
	Gondal	Shankar-6	5305	NR	-
	Rajkot	B.T. Cotton	5450	5465	-15
	Patan	B.T. Cotton	5500	5400	100
	Kadi	B.T. Cotton	5150	5300	-150
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	5020	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5150	5050	100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	5150	5160	-10
	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	5200	5200	Unch
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5200	5200	Unch
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	4450	-
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	NR	-
	Hubli	D.C.H.	NR	4300	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	5250	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-May-18	8-May-18	
Punjab	Bhatinda	J-34	4400	4415	-15
	Abohar	J-34	4405	4420	-15
	Mansa	J-34	4380	4300	80
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4380	4390	-10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-May-18	8-May-18	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	995	NR	-
	Rajkot	B.T. Cotton	1200	1100	100
	Patan	B.T. Cotton	2090	1598	492
	Kadi	B.T. Cotton	35000	30000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	24	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	200	200	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	250	400	-150
	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	200	200	Unch
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	1000	900	100
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	NR	256	-
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	NR	-
	Hubli	D.C.H.	NR	10	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	255	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-May-18	8-May-18	
Punjab	Bhatinda	J-34	680	850	-170
	Abohar	J-34	340	170	170
	Mansa	J-34	150	150	Unch
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	Rs. Per Candy	Change
				8-May-18	7-May-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	41800	41900	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39200	39400	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	42000	42100	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43200	43200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44500	44500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	56300	56300	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		9-May-18	8-May-18	
Rajkot	Rs. /10 Kg.	750	NR	-
New Delhi	Rs. /10 Kg.	730	NR	-
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	765	NR	-

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		9-May-18	8-May-18	
Mahesana (Kadi)	Rs./Qtl	1357	1355	2
Akola	Rs./Qtl	1337	1311	26

INTERNATIONAL PRICES AND INDICES

<u>China Cotton Index: As on 9-May-2018</u>		
Index	RMB/Ton	Change
CCIndex(328)	15509	3
CCIndex(527)	14545	2
CCIndex(229)	16158	1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

<u>China Foreign Cotton (FCE) Index : As on 9-May-2018</u>		
Index	Cents/lb	Change
FC Index (S)	97.75	-0.57
FC Index (M)	94.87	-0.59
FC Index (L)	93.88	-0.60

<u>Cotlook Index: As on 8-May-2018</u>		
Cotlook Indices	Cents/Pound	Change
A-Index	94.65	1.40

<u>USDA Cotton Spot Rates: As on 8-May-2018</u>			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	85.88	88.13	NIL
North Delta	84.38	86.13	NIL
South Delta	84.38	86.13	NIL
East TX-OK	77.00	78.75	7807
West Texas	75.50	77.25	1034
Desert SW	80.38	84.38	NIL
SJ Valley	80.88	89.78	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.): Ason8-May-2018

Contract	Open	High	Low	Close	Change
18-May	85.38	85.38	85.38	85.38	-0.61
18-Jul	86.12	86.87	85.11	85.38	-0.61
18-Oct	81.61	81.85	81.57	81.85	-0.80
18-Dec	80.33	80.82	79.81	80.10	-0.23
19-Mar	80.12	80.45	79.50	79.83	-0.24
19-May	80.28	80.35	79.55	79.80	-0.18

Pakistan Cotton Spot rates: As on8-May-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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