

Domestic Fundamentals:

Market Outlook: Spot Market mostly weakened in the yesterday trading session. MCX Cotton Futures market is trading weak in today's trading session as the rains in northern belt has vanished the weather premium in Indian cotton.

In The News:

The Maharashtra government sanctioned Rs 176.12 crores for the compensation to the farmers affected by loss of crop due to pink boll worm attack in Nanded district. The amount will be disbursed to the bank account of the beneficiaries.

In a recent development ministry of Agriculture has decided not to change the prices of cotton this season after the Delhi High court decision of denying Monsanto patent on their 2nd generation BT Cotton "Bollgard II". The Bollgard II prices has been priced at INR 740 per packet of 450 gm which includes the trait value of INR 39 being paid to trait technology patent holder. Currently the matter is with Supreme Court for further hearing.

Recent spells of rain across the northern belt is going to boost the planting prospects of Cotton in the Northern cotton belt. Widespread rains has been reported in the north western states along with strong wind and the same is forecasted for another couple of days.

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, Madhy Pradesh 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 ginnerers are willing to close factory.

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.

International Fundamentals

In the latest WASDE report released on 10th of this month the global end stock for the MY 2017-18 has been almost unchanged to 88.21 Million bales of 480 pound from 88.29 million bales in previous WASDE estimate. US end stock has been down to 4.7 million bushels from 5.3 million bales. US Cotton No 2 has traded sideways in yesterday trading session. New crop in US is estimated at 19.5 million bales against current season production of 23.79 million bales.

In the last few trading session cotton prices has rallied towards 4 years high on the back of lower water availability in key cotton growing regions of US. Persisting drought like conditions has kept the traders sceptical over US cotton production numbers. The growers are expecting good yield this year as the pest attack has been limited and may make up the fall in acreages.

However there has been forecast of near- to above normal rainfall across most of the country will contrast with drier-than-normal conditions in southern Texas.

In US, growers seeded 8% of their crop in a week to get overall US seedings to 20% completion, catching up with the average pace.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
May-18	-60	20660	20720	20600	20640	566	-267	8458	-106

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	11-May-18	10-May-18	
Gujarat	Ahmedabad	Shankar-6	5450	5450	Unch
	Gondal	Shankar-6	NR	5345	-
	Rajkot	B.T. Cotton	NR	5500	-
	Patan	B.T. Cotton	5375	5380	-5
	Kadi	B.T. Cotton	5250	5150	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	5280	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5150	5100	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	5120	5140	-20
	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	5366	-

	Hubli	D.C.H.	NR	2380	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	5100	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	11-May-18	10-May-18	
Punjab	Bhatinda	J-34	4375	4390	-15
	Abohar	J-34	4395	4395	Unch
	Mansa	J-34	4350	4380	-30
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4350	4370	-20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-May-18	10-May-18	
Gujarat	Ahmedabad	Shankar-6	28900	28900	Unch
	Gondal	Shankar-6	NR	559	-
	Rajkot	B.T. Cotton	NR	1300	-
	Patan	B.T. Cotton	918	1905	-987
	Kadi	B.T. Cotton	35000	35000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	46	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	200	300	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	500	600	-100
	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	800	900	-100
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	149	-
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	747	-
	Hubli	D.C.H.	NR	8	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	172	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	11-May-18	10-May-18	
Punjab	Bhatinda	J-34	850	850	Unch
	Abohar	J-34	170	170	Unch
	Mansa	J-34	150	150	Unch
Haryana	Sirsa	J-34	340	340	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
				10-May-18	9-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	41700	41800	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	39200	39200	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	41900	41900	Unch
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
		11-May-18	10-May-18	
Rajkot	Rs. /10 Kg.	750	750	Unch
New Delhi	Rs. /10 Kg.	730	730	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	768	760	8

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		11-May-18	10-May-18	
Mahesana (Kadi)	Rs./Qtl	1365	1374	-9

Akola	Rs./Qtl	1348	1351	-3
-------	---------	------	------	----

INTERNATIONAL PRICES AND INDICES

<u>China Cotton Index: As on 10-May-2018</u>		
Index	RMB/Ton	Change
CCIndex(328)	15525	7
CCIndex(527)	14559	6
CCIndex(229)	16163	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

<u>China Foreign Cotton (FCE) Index : As on 10-May-2018</u>		
Index	Cents/lb	Change
FC Index (S)	98.11	0.36
FC Index (M)	95.16	0.29
FC Index (L)	94.19	0.31

<u>Cotlook Index: As on 10-May-2018</u>		
Cotlook Indices	Cents/Pound	Change
A-Index	94.35	0.40

<u>USDA Cotton Spot Rates: As on 10-May-2018</u>			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	85.06	87.31	NIL
North Delta	83.56	85.31	NIL
South Delta	83.56	85.31	NIL
East TX-OK	76.00	77.75	5179
West Texas	74.50	76.25	1586
Desert SW	79.56	83.56	NIL
SJ Valley	80.06	88.96	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.): As on 10-May-2018

Contract	Open	High	Low	Close	Change
18-May	86.01	86.17	84.05	84.56	-1.30
18-Jul	81.62	81.62	81.62	81.62	-0.66
18-Oct	80.65	80.75	79.56	80.11	-0.45
18-Dec	80.25	80.34	79.33	79.88	-0.30
19-Mar	80.06	80.12	79.51	80.02	-0.08
19-May	79.92	80.05	79.55	80.02	-0.02

Pakistan Cotton Spot rates: As on 10-May-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	7400	145	7545
Equivalent	40 Kgs	7931	155	8086

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2018 Indian Agribusiness Systems Pvt. Ltd.