

Domestic Fundamentals:

Market Outlook: Cotton spot market declined following continuous fall in US market over Chinese retaliatory tariff of 25% on US combed cotton. US #2 Cotton futures was trading weak by 1.98% and has witnessed 5th consecutive. MCX 29 mm cotton futures also plunged by 1.21% till the time report was written taking global cues.

In The News: The trade spat between US and China is going to benefit exports prospects of Indian cotton. Trade bodies are expecting the exports in 2018-19 in the tune of 10 million bales and in the current season they are eyeing exports of 7 million bales.

However the supplies will be a major constrain with monsoon playing crucial role in the production of the ongoing planting campaign.

IMD has forecasted for a monsoon reset after brief spell of lull period that extended for two weeks. But the revival phase does not promise to be as spectacular as the original onset phase, principally due to lack of a low-pressure area in the Bay of Bengal. The India Met Department (IMD) does not indicate the formation of any such feature in the near future, with the reviving monsoon left to the command of tropical storm Gaemi in the North-West Pacific.

The IMD has forecast heavy to very heavy rain for Kerala, Karnataka, Konkan and Goa, coastal, North Interior and South Interior Karnataka, Madhya Maharashtra and parts of the North-Eastern states until June 20.

Cotton acreages is expected to benefit in Gujarat as the farmers has swayed from groundnut with surplus stocks and unattractive prices in this season.

International Fundamentals

In the USDA weekly crop progress report, as on 17th June 26% of cotton is in poor to very poor state a fall by 4% from previous week and 20% higher in the same week last year. The cotton squaring has been seen in 22% of the planted crop against 21% last year.

The US-China trade disputes have also taken toll on the US cotton futures. Rains in west Texas have also helped in the cotton prices falling below three weeks.

With the US U.S. President Donald Trump's announcement that the United States would put a 25 percent tariff on \$50 billion of Chinese goods. Since China is one of the largest importers of US cotton any retaliatory imposition of tariffs on US cotton impedes any bullish sentiments in US cotton futures. However such measures will make Indian cotton exports prospects bright and we have already seen some advance booking to be delivered in the coming season harvest.

China has already given statement for imposing import duty of 25% on 659 U.S. goods, ranging from soybeans and autos to seafood, worth \$50 billion which includes cotton.

The trade brawl has created overall bearishness in the CME Globex agricultural commodities with most of commodities hitting recent low.

The rains in west texas has been breather for the standing cotton crop, but the situation is still alarming and if the irrigation is not provided or if there is no rains the saplings will dry up. However there has been forecasts of good rains in coming days.

Cotton prices continued to rise in Brazil in the first fortnight of June due to low supply from the 2016-17 and the 2017-18 crops in the spot market. However, price rise is not likely to sustain in the long run as Brazil's cotton output in 2017-18 season is forecast to total 1.959 million tons, which will be a sharp 28.1 per cent jump above the total production in 2016-17 season, according to Conab. Meanwhile, cotton exports from Brazil decreased for the seventh consecutive month in May 2018, according to data from Secex (the secretariat of foreign trade). May shipments were down 35.4 per cent to 18,500 tons compared to April 2018, and 5.6 per cent less compared to 19,600 tons of cotton exported in May 2017

MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-18	-290	22470	22470	22040	22100	1187	-552	5108	-344
July-18	-280	22750	22750	22350	22390	1327	-222	4134	133

Spread	June 18		-	-	--	--
Spot				-	-	-
jun-18				-	-	-

(NB: Spread Basis = Spot- Near Month Future)
 * Updated at 05:00 pm as on 15-June 2018

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	19-Jun-18	18-Jun-18	
Gujarat	Ahmedabad	Shankar-6	6125	6375	-250
	Gondal	Shankar-6	6330	6380	-50
	Rajkot	B.T. Cotton	6300	6500	-200
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	5200	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5800	5900	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5750	5900	-150
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-

	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaoon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4320	4320	Unch
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	6159	6209	-50
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	5700	5600	100
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	19-Jun-18	18-Jun-18	
Punjab	Bhatinda	J-34	4745	4780	-35
	Abohar	J-34	4750	4780	-30
	Mansa	J-34	4750	4800	-50
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4730	4760	-30
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	19-Jun-18	18-Jun-18	
Gujarat	Ahmedabad	Shankar-6	5780	5780	Unch
	Gondal	Shankar-6	293	222	71
	Rajkot	B.T. Cotton	1050	990	60
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10	14	-4
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	350	200	150
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-

	Fatehabad	B.T. Cotton	350	80	270
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
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	1383	1329	54
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	292	187	105
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Jun-18	18-Jun-18	
Punjab	Bhatinda	J-34	170	170	Unch
	Abohar	J-34	NA	NA	-
	Mansa	J-34	34	34	Unch
Haryana	Sirsa	J-34	51	85	-34
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				18-Jun-18	16-Jun-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	44800	44800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	45300	45300	Unch
J-34(202)	26mm	3.5 - 4.9	23	45500	45700	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42500	42700	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	46800	46800	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47600	47600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48600	48600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	59700	59700	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		19-Jun-18	18-Jun-18	
Rajkot	Rs. /10 Kg.	735	745	-10
New Delhi	Rs. /10 Kg.	730	725	5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	760	760	Unch

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		19-Jun-18	18-Jun-18	
Mahesana (Kadi)	Rs./Qtl	1708	1721	-13
Akola	Rs./Qtl	1613.65	1630	-16

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 19-June-2018		
Index	RMB/Ton	Change
CCIndex(328)	16402	1
CCIndex(527)	15171	1
CCIndex(229)	16933	2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 19-June-2018			
Index	Cents/lb		Change
FC Index (S)	103.23		-2.97
FC Index (M)	100.23		-2.95
FC Index (L)	98.99		-3.00

Cotlook Index: As on 18-June-2018			
Cotlook Indices	Cents/Pound		Change
A-Index	98.85		-2.60

USDA Cotton Spot Rates: As on 18-June-2018			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	88.66	90.91	NIL

North Delta	87.16	88.91	NIL
South Delta	87.16	88.91	NIL
East TX-OK	83.25	85.75	906.00
West Texas	82.75	85.25	NIL
Desert SW	82.91	86.91	NIL
SJ Valley	83.41	92.31	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 18-June-2018

Contract	Open	High	Low	Close	Change
18-May	90.55	90.55	86.80	87.32	-3.40
18-Jul	91.15	91.15	88.24	88.66	-2.62
18-Oct	89.46	89.52	87.10	87.77	-2.08
18-Dec	89.49	89.49	87.04	87.70	-2.06
19-Mar	89.50	89.50	87.10	87.75	-1.96
19-May	89.00	89.00	87.12	87.73	-1.87

Pakistan Cotton Spot rates: As on 14-June-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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