

### Domestic Fundamentals:

**Market Outlook:** Cotton spot market prices remained mixed with marginal changes as there was lack of cues in the market. Trade in US #2 Cotton futures and MCX 29mm Cotton futures were trading flat with lack of any new fundamental cues.

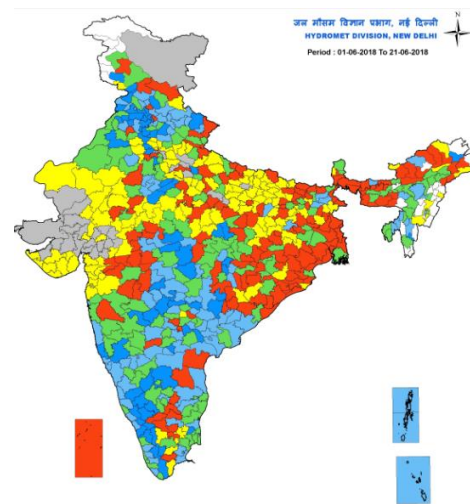
**In The News:** Seeking opportunity in the trade spat between US and China and potential rise in Chinese demand The Cotton Textiles Export Promotion Council (Texporcil) is asking to reduce Import duties in China, which is in the range of 3.5-5%. In Yarn exports due to zero export duty Vietnam exports increased from 287 million kg in 2013-14 to 718 million kg in 2017-18, according to texporcil. Vietnam exports if 228% higher than China. China is using cheap labour in Vietnam to use Vietnam as spinning yarn centre.

Yarn exports from India fell 8.8% y-o-y to 1097.4 million kg, in 2017-18. The major fall has been to China whose exports fell by 30.7% y-o-y to 315.36 million kg. India exported 603 million kg to China in 2013-14.

#### Monsoon Update

Rainfall in SW Monsoon season as on date fared well in southern Peninsula including Maharashtra, Karnataka, Telangana and AP. This has allowed good prospects of cotton sowing at the early start of the monsoon season.

The India Meteorological Department (IMD) said that the monsoon circulation is likely to improve during the weekend. It will advance over the remaining parts of Assam, some more parts of Maharashtra, Chhattisgarh, Odisha, West Bengal and some parts of Jharkhand, Bihar and Madhya Pradesh, between 23 and 25 June. Overall the monsoon performance is at -4% till 19<sup>th</sup> June cumulatively in India.



### International Fundamentals

Sindh province in Pakistan fell short of sowing target by 30% due to acute shortage of water in canals. There has been improvement in water availability in canal but as the sowing window is over it will benefit only the sown areas. However much of the damage has already been done. According to sources in the Sindh agriculture department, cotton seeds were sown only on 48 percent of land or 0.296 million hectares, against target of 0.62 million hectares' by June 1, 2018. This is 36.6 percent lower compared to last year's sowing on 0.467 million hectares. Traders in Pakistan is expecting production of 12.5 million bales in coming season.

With Chinese inventories of cotton down, the country has granted additional import of 800,000 tonnes of additional cotton over its quota which is for the first time in 5 years. The import in China fell from 5 million tons to 1 million tons after phased release of state cotton stockpiles. However in 2019-20 China is expected to import 2-3 million tons (10-15 million bales). In 2018-19 the country is expected to import 5 million bales.

However higher foreign particles in Indian cotton will result in least preferred and priority will be given to Brazil and Australia. But the additional cost of cleaning will be still cheaper over paying additional duty of 25% to US cotton. Further a 2 week voyage against 3-6 week voyage against competing nation will give India an edge.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-18	-220	22050	22200	21840	21880	1103	-448	3757	-488
July-18	-230	22480	22490	22140	22170	1294	-564	5208	533

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	21-Jun-18	20-Jun-18	
Gujarat	Ahmedabad	Shankar-6	6000	6125	-125
	Gondal	Shankar-6	6255	6105	150
	Rajkot	B.T. Cotton	6285	6195	90
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5860	6040	-180
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5750	5750	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	5750	5660	90
	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	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	6219	6149	70
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	5600	5600	Unch
<b>Commodity</b>	<b>Lint</b>		<b>Prices (Rs./Maund)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>21-Jun-18</b>	<b>20-Jun-18</b>	
Punjab	Bhatinda	J-34	4730	4700	30
	Abohar	J-34	4730	4710	20
	Mansa	J-34	4700	4675	25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4720	4700	20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

<b>Commodity</b>	<b>Kapas</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>21-Jun-18</b>	<b>20-Jun-18</b>	
Gujarat	Ahmedabad	Shankar-6	5100	5950	-850
	Gondal	Shankar-6	318	354	-36
	Rajkot	B.T. Cotton	902	405	497
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9	16	-7
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	150	150	Unch
	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	1444	941	503
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	210	337	-127
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>21-Jun-18</b>	<b>20-Jun-18</b>	
Punjab	Bhatinda	J-34	170	170	Unch
	Abohar	J-34	NA	NA	-
	Mansa	J-34	85	170	-85
Haryana	Sirsa	J-34	85	170	-85
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
				20-Jun-18	19-Jun-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	45800	44800	1000
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	46300	45300	1000
J-34(202)	26mm	3.5 - 4.9	23	45000	45000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43000	43000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	46600	46800	-200
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
		21-Jun-18	20-Jun-18	
Rajkot	Rs. /10 Kg.	740	740	Unch
New Delhi	Rs. /10 Kg.	720	720	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	NR	760	-

**Cotton Seed Oil Seed Cake Prices**

Centre	Unit	Price		Change
		21-Jun-18	20-Jun-18	
Mahesana (Kadi)	Rs./Qtl	1712	1674	38
Akola	Rs./Qtl	1579	1564	15

### INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 21-June-2018		
Index	RMB/Ton	Change
CCIndex(328)	16363	-16
CCIndex(527)	15151	-8
CCIndex(229)	16955	-16
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 20-June-2018		
Index	Cents/lb	Change
FC Index (S)	99.32	-3.91
FC Index (M)	96.36	-3.87
FC Index (L)	94.99	-4.00

Cotlook Index: As on 20-June-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	93.00	-3.95

USDA Cotton Spot Rates: As on 20-June-2018			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	85.36	87.61	NIL
North Delta	83.86	85.61	NIL
South Delta	83.86	85.61	NIL
East TX-OK	80.00	82.50	645
West Texas	79.50	82.00	9
Desert SW	79.61	83.61	NIL
SJ Valley	80.11	89.01	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			

<b>ICE Cotton Futures (Prices in cents/lb.): As on 20-June-2018</b>					
<b>Contract</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Change</b>
<b>18-May</b>	83.25	85.70	83.10	83.21	<b>-0.11</b>
<b>18-Jul</b>	84.20	86.71	83.95	85.36	<b>0.54</b>
<b>18-Oct</b>	82.94	85.65	82.94	84.18	<b>0.36</b>
<b>18-Dec</b>	83.40	85.62	83.11	83.99	<b>0.26</b>
<b>19-Mar</b>	83.59	85.62	83.25	84.04	<b>0.25</b>
<b>19-May</b>	83.71	85.70	83.41	84.15	<b>0.23</b>

<b>Pakistan Cotton Spot rates: As on 20-June-2018</b>				<b>(in Pakistan Rupees)</b>
<b>Product</b>	<b>Rate for</b>	<b>Ex-Gin Price</b>	<b>Up Country Sales</b>	<b>Spot Rate Karachi</b>
<b>Cotton</b>	<b>37.32 Kgs</b>	7600	145	7745
<b>Equivalent</b>	<b>40 Kgs</b>	8145	155	8300

**Disclaimer**

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