

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed mixed tone on Friday.

In The News:

Sowing of Cotton **has been completed 0.46 lakh hectares in Andhra Pradesh till June 27. Last year the crop was sown in 1.45 Lakh hectares in the same time frame.** Lull period post monsoon arrival didn't help in providing enough moisture to hasten the sowing. In Southern peninsular India the sowing window extends up to September depending on the rainfall. Any delay in sufficient rain also delays the sowing campaign of cotton.

The Multi Commodity Exchange of India (MCX) has **signed an agreement with the Maharashtra government** to empower cotton farmers in the Vidarbha region. It aims to **create a value chain with final market linkages to support thousands of cotton farmers** in Akola, Amravati and Wardha.

As per CAB latest report, last year India's cotton export was 58.21 lakh bales and cotton import was 30.94 lakh bales. So last year's export and import deficit was 27.27 lakh bales, but **this year export expected is 70.00 lakh bales and import is 15.00 lakh bales so this year deficit will be doubled at 55.00 lakh bales.** So for Indian mills the availability of 55.00 lakh bales will be less this year and **this is the reason for Indian market to go up 40000 to 48000.**

As per Gujarat government records, as on today there are **40 lakh new spindles and 15 lakh old spindles so in total 55 lakh spindles of spinning mills are running on cotton.** As per one Gujarat spinning mill owner, in Gujarat mills yearly consumption of cotton is around 70-72 lakh bales and monthly consumption is 6 lakh bales, now few more mills are in under construction.

According to data from the Department of Agricultural, **Cotton had been planted on 1,691,400 hectares nationwide by June 15.** This represents an increase over last week of 443,500 hectares. With the majority of new planting recorded for central and southern states. The latest figures suggest that the rate of sowing has overtaken that of last year, by a small margin. By June 15, 2017, the total area reported was 1,667,100 hectares.

Cotton exports **crossed 65 lakh bales up to 17 June** and still there is good demand for Indian cotton at 93 to 95 cents ie 51000 fob. Even now everyday 5-10 thousand bales are going in exports per day.

Monsoon Update:

The southwest monsoon remains **10% below normal** this month, but daily rainfall is slowly improving and the weather office expects a significant pick up in the days ahead. The India Meteorological Department (IMD) says **monsoon showers are expected to reach northwest India** between June 28 and 30, bringing relief for farmers in the region as they prepare their fields for planting.

Rainfall figures still remain dampening, with all parts of the country barring southern peninsula having recorded below normal rainfall since June 1. However, saw a **slight improvement in the daily rainfall scenario, with central, east and northeast India recording above normal rainfall,** while overall rainfall remained 19% above normal.

International Fundamentals

The most active cotton contract on ICE Futures U.S., the third-month December contract, settled **up 1.01 cent, or 1.2 percent, at 85.3 cents per lb.** It traded within a range of 84.2 and 85.62 cents a lb.

Actual turnover of china reserve cotton was **17,300 tonnes**. Turnover rate was 57.62% as on June 27.

Due to acute water shortage, Sindh falls short of completing the cotton sowing target by **at least 30 percent of its land** experts and growers told to the news today.

Chin is set to return as a major cotton importer, taking **10 million to 15 million bales a year by 2019/20**, compared with 5 million bales this year. According to Tim Bourgois, Head of cotton platform at LDC.

In Pakistan raw cotton exports from the country during 11 months of current financial year **grew by 32.66 percent as against the exports of the corresponding period of last year**. According the latest data released by the Pakistan Bureau of Statistics, during the period from July-May, 2017-18, country exported about 34,969 metric tons of raw cotton as compared the exports of 25,349 metric tons last year.

MCX Cotton Futures*: (Prices in Rs/170 kgs)									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jun-18	-100	21920	21980	21810	21810	541	176	588	-310
July-18	10	22190	22250	22140	22200	922	196	7669	285
Spread	June 18			-	-	--	--		
Spot	-270			-	-	-	-		
jun-18				-	-	-	-		

(NB: Spread Basis = Spot- Near Month Future)
 * Updated at as on 29-June 2018 at 5:05 PM

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	29-Jun-18	28-Jun-18	
Gujarat	Ahmedabad	Shankar-6	6000	6125	-125
	Gondal	Shankar-6	6105	6125	-20
	Rajkot	B.T. Cotton	6115	6170	-55
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5890	5800	90
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5900	5850	50

	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	5850	5850	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	4230	4230	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	6150	6199	-49
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	NR	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	29-Jun-18	28-Jun-18	
Punjab	Bhatinda	J-34	4810	4815	-5
	Abohar	J-34	4810	4830	-20
	Mansa	J-34	4775	4825	-50
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4800	4800	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	29-Jun-18	28-Jun-18	
Gujarat	Ahmedabad	Shankar-6	5100	5100	Unch
	Gondal	Shankar-6	170	300	-130
	Rajkot	B.T. Cotton	445	584	-139
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	10	12	-2
Punjab	Fazilika	B.T. Cotton	NR	NR	-

	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	300	150	150
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	NA	NA	-
	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	385	470	-85
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	NR	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	29-Jun-18	28-Jun-18	
Punjab	Bhatinda	J-34	NA	34	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	60	-
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
				28-Jun-18	27-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	46100	46000	100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43700	43700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	47000	47000	Unch

Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48000	48000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49000	49000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	60500	60500	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		29-Jun-18	28-Jun-18	
Rajkot	Rs. /10 Kg.	750	755	-5
New Delhi	Rs. /10 Kg.	730	735	-5
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	760	760	Unch

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		29-Jun-18	28-Jun-18	
Mahesana (Kadi)	Rs./Qtl	1700	1706	-6
Akola	Rs./Qtl	1614	1617	-3

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 29-June-2018		
Index	RMB/Ton	Change
CCIndex(328)	16326	-1
CCIndex(527)	15131	-5
CCIndex(229)	16945	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.		

<u>China Foreign Cotton (FCE) Index : As on 29-June-2018</u>		
Index	Cents/lb	Change
FC Index (S)	98.21	-0.92
FC Index (M)	95.49	-0.92
FC Index (L)	93.70	-1.13

<u>Cotlook Index: As on 28-June-2018</u>		
Cotlook Indices	Cents/Pound	Change
A-Index	94.20	0.25

<u>USDA Cotton Spot Rates: As on 28-June-2018</u>

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	84.57	86.82	NIL
North Delta	83.07	84.82	225
South Delta	83.07	84.82	NIL
East TX-OK	78.75	81.25	1559
West Texas	78.75	81.25	1407
Desert SW	78.82	82.82	14
SJ Valley	79.32	88.22	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.): Ason28-June-2018

Contract	Open	High	Low	Close	Change
18-May	85.65	85.65	84.93	84.93	-0.82
18-Jul	85.92	85.98	84.57	84.57	-1.39
18-Oct	84.96	84.96	83.48	83.55	-1.32
18-Dec	84.31	84.47	83.10	83.15	-1.26
19-Mar	84.32	84.32	83.18	83.20	-1.19
19-May	84.37	84.37	83.30	83.31	-1.13

Pakistan Cotton Spot rates: As on28-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

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 Ltd.