

### Domestic Fundamentals:

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

**In The News:** *The total cotton sown area as on 29<sup>th</sup> June 2018, as per reports received from States, stands at **32.20 lakh hectare** as compared to **46.10 lakh hectare** at this time last year.*

*Gujarat cotton prices of 29 mm remained between **47,100 to 47,400** Rs/candy.*

*All India arrivals remain daily **10,000 to 13,000 bales**. With limited arrivals most ginning mills are closed.*

*The central government will approve the much-awaited higher minimum support prices (MSP) for kharif crops in a cabinet meeting next week, Prime Minister Narendra Modi told farmers at his residence on Friday. **The new MSP regime is likely to significantly raise the support prices for crops such as paddy, ragi, maize, moong, groundnut, sunflower, soybean and cotton.** Going by the MSPs announced for these crops in the 2017-18 crop year, returns to farmers were under 50% of the costs of cultivation.*

*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.*

### **Monsoon Update:**

*In its latest weather update, the India Meteorological Department on Monday predicted heavy to very heavy rainfall in large parts of India, including several places in **Jammu and Kashmir, Tamil Nadu, Assam and Gujarat**, over the next few days till Friday.*

### 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.

<b>MCX Cotton Futures*: (Prices in Rs/170 kgs)</b>									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-18	90	22280	22500	22280	22440	574	-348	7652	-17
Oct-18	80	22950	22980	22860	22880	46	147	1547	10
Spread	June 18			-	-	--	--		
Spot	-480			-	-	-	-		
jun-18				-	-	-	-		

(NB: Spread Basis = Spot- Near Month Future)  
 \* Updated at as on 02-July 2018 at 5:05 PM

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	2-Jul-18	30-Jun-18	
Gujarat	Ahmedabad	Shankar-6	6125	6000	125
	Gondal	Shankar-6	6105	6105	Unch
	Rajkot	B.T. Cotton	6105	6105	Unch
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5555	5630	-75
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5900	5900	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	5800	5850	-50
	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	6212	6160	52
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	5650	5550	100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	2-Jul-18	30-Jun-18	
Punjab	Bhatinda	J-34	4820	4815	5
	Abohar	J-34	4830	4820	10
	Mansa	J-34	4825	4800	25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4830	4820	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

### Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	2-Jul-18	30-Jun-18	
Gujarat	Ahmedabad	Shankar-6	5100	5100	Unch
	Gondal	Shankar-6	87	76	11
	Rajkot	B.T. Cotton	450	245	205
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	9	7	2
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	200	150	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	80	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	1337	662	675
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	150	15	135
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>2-Jul-18</b>	<b>30-Jun-18</b>	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	34	NA	-
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
				30-Jun-18	29-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	46000	46000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44500	44500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	47000	47000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48500	48500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50000	50000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	61500	61500	Unch

**Cotton Seed Oil Prices**

Centre	Unit	Price		Change
		2-Jul-18	30-Jun-18	

Rajkot	Rs. /10 Kg.	755	750	5
New Delhi	Rs. /10 Kg.	725	725	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	770	760	10

### Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		2-Jul-18	30-Jun-18	
Mahesana (Kadi)	Rs./Qtl	1700	1698	2
Akola	Rs./Qtl	1615	1611	4

### INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 2-July-2018		
Index	RMB/Ton	Change
CCIndex(328)	16323	-3
CCIndex(527)	15130	-1
CCIndex(229)	16943	-2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

<u>China Foreign Cotton (FCE) Index : As on 2-July-2018</u>			
Index	Cents/lb		Change
FC Index (S)	98.52		0.31
FC Index (M)	95.79		0.30
FC Index (L)	94.00		0.30

<u>Cotlook Index: As on 29-June-2018</u>			
Cotlook Indices	Cents/Pound		Change
A-Index	93.25		-0.95

<u>USDA Cotton Spot Rates: As on 29-June-2018</u>			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	85.17	87.42	37
North Delta	83.67	85.42	NIL
South Delta	83.67	85.42	NIL
East TX-OK	79.00	81.50	482
West Texas	79.00	81.50	NIL

Desert SW	79.42	83.42	<b>NIL</b>
SJ Valley	79.92	88.82	<b>NIL</b>

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.): Ason29-June-2018**

Contract	Open	High	Low	Close	Change
<b>18-May</b>	85.41	86.03	85.06	85.38	<b>0.45</b>
<b>18-Jul</b>	84.91	87.09	84.69	85.17	<b>0.60</b>
<b>18-Oct</b>	83.96	85.86	83.35	83.92	<b>0.37</b>
<b>18-Dec</b>	83.40	85.36	83.07	83.66	<b>0.51</b>
<b>19-Mar</b>	83.42	85.25	83.16	83.72	<b>0.52</b>
<b>19-May</b>	83.57	85.00	83.41	83.84	<b>0.53</b>

**Pakistan Cotton Spot rates: As on30-June-2018**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	<b>37.32 Kgs</b>	7600	145	7745
<b>Equivalent</b>	<b>40 Kgs</b>	8145	155	8300

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