

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed firm on Tuesday. Expected to trade in the range of 5800 to 6400 for next few weeks.

In The News: Cotton getting supported due to global strength and lower domestic sowing area. Technical set up for near term turning strong. Possible upside this week will be 23000-400.

All India arrivals remain 7000 to 10000 bales. With limited arrivals most ginning mills are closed.

In India, cotton has been sown in around 50.40 lakh hectares as of 06th July 2018 which is lower than 71.82 lakh hectare covered during corresponding period last year. In Punjab, it has been sown in 4.43 lakh hectare which is lower than 4.61 lakh hectare covered during corresponding period last year. Similarly, in Gujarat, it has been sown in 4.93 lakh hectare which is lower than 12.68 lakh hectare covered during corresponding period last year. And in Andhra Pradesh, it has been sown in 0.79 lakh hectare which is lower than 2.44 lakh hectare covered during corresponding period last year. Cotton acreage has been declined in major producing states due to delay in monsoon and the effect of pink bollworm during 2017-18.

Adoni cotton market was closed past one week as traders are opposing new norms laid down by market committee. As per the new norms, market fee must be paid every week as against the existing norm of paying the fee once in a month.

Cotton Corporation of India running cotton operation and upcoming season 2018-19 CCI **May buy bulk from farmers.**

Higher cotton prices are expected to support cotton output, not just in India but across the world. Increase in cotton output becomes increasingly relevant amid rising concerns on a global demand-supply situation, with a sharp increase in import demand from China likely over the next two-three years.

The rise in cotton MSP may be good news for farmers, but raises concerns for the consuming industry, considering that the base price of the white fibre will go up in the next cotton year. Cotton acreage is bound to go up by 10-15 per cent in the next season, an industry source opined.

Agriculture Ministry Raised Cotton MSP by Rs 1130/ quintal for 2018-19 season for long staple it has been Rs 5450/Qtl and Rs 5150 for Medium staple cotton.

The projected yearly Balance Sheet for the Season 2017-18 drawn by the CAI has estimated total cotton supply till end of the season i.e. upto 30th September 2018 at 416 lakh bales of 170 kgs. each which includes opening stock of 36 lakh bales at the beginning of the season. The CAI has estimated domestic consumption for the season at 324 lakh bales while the exports are estimated to be 70 lakh bales. The carry-over stock at the end of the 2017-18 season is estimated by the CAI at 22 lakh bales.

Monsoon Update:

Mumbai's rain has again recovered and heavy rain will continue in the next 24 hours. There is a possibility of heavy rains in Konkan Goa, Vidarbha, Madhya Pradesh and Chhattisgarh too. In some parts flood conditions can also be seen. - Meanwhile, in south Gujarat and in southeastern Rajasthan, light to moderate rainfall is expected. If you go north, there will be light to moderate rainfall in Uttarakhand and West Uttar Pradesh, while there may be slight rainfall in two places in Himachal Pradesh, Uttar Pradesh and Haryana. However, the weather in Delhi and North Rajasthan will remain hot and dry.

International Fundamentals

The most active cotton contract on ICE Futures U.S., the third-month December contract, settled up 1.02 cent, or 1.21 percent, at 85.47 cents per lb. It traded within a range of 84.14 and 85.72 cents a lb, touching a peak since June 29.

The International Cotton Advisory Committee has marginally slashed the estimate for global ending stocks for 2018-19 to 17.8 mln tn due to robust increase in consumption. In its monthly report, released last week, the committee said the global consumption of cotton is projected to grow 5% on year to 27.4 mln tn. It has also raised the estimate for cotton output for 2018-19 to 25.9 mln tn, up 0.18 mln tn on month. With consumption expected to outpace production in 2018-19, global stocks are expected to decrease to 17.8 mln tn," the report said. The revised number is 70,000 tn lower from its June estimate. The committee said cotton output in the US and India is expected to decline on year in 2018-19, but fall will be more than offset by a rise in Brazil.

The Pakistan Federal Board of Revenue has withdrawn duty exemption on import of cotton. A notification SRO847 issued on last week stated the exemption facility will be **ineffective from July 15, 2018**. Since Jan 8, the government has exempted 5pc sales tax and 4pc customs duty on import of cotton through a notification SRO48 of 2018. The exemption was withdrawn to give benefit to local growers

Egypt's cotton exports are expected to reach about 52,000 tonnes in the 2017/2018 season that ends in August, up nearly 37 percent from the previous year, Nabil al-Santaricy, head of the Alexandria Cotton Exporters Association, told Reuters.

US Area planted to cotton in 2018 is estimated at 13.5 million acres, up 7 percent from last year. Upland area is estimated at 13.3 million acres, up 7 percent from 2017. American Pima is estimated at 243,000 acres, down 4 percent from 2017. The upland planted area in Kansas is estimated at a record high and Oklahoma upland planted area is the highest since 1956.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-18	-50	22720	22770	22610	22680	1001	-279	6869	-610
Oct-18	-30	23470	23550	23400	23450	234	24	1563	49

Spread	June 18			-	-	--	--
Spot	-780			-	-	-	-
jun-18				-	-	-	-

(NB: Spread Basis = Spot- Near Month Future)

* Updated at as on 10-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	10-Jul-18	9-Jul-18	
Gujarat	Ahmedabad	Shankar-6	6000	6000	Unch
	Gondal	Shankar-6	6130	6155	-25
	Rajkot	B.T. Cotton	6300	6200	100
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5925	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	6000	5950	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NR	NR	-
	Fatehabad	B.T. Cotton	5850	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	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	NR	6259	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	5600	5950	-350
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Jul-18	9-Jul-18	
Punjab	Bhatinda	J-34	4840	4810	30
	Abohar	J-34	4840	4820	20
	Mansa	J-34	4825	4800	25

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4820	4800	20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Jul-18	9-Jul-18	
Gujarat	Ahmedabad	Shankar-6	2550	1700	850
	Gondal	Shankar-6	126	256	-130
	Rajkot	B.T. Cotton	300	350	-50
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	6	-
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	60	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	NR	294	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	30	45	-15
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	10-Jul-18	9-Jul-18	
Punjab	Bhatinda	J-34	NA	NA	-

	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	51	-
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
				9-Jul-18	7-Jul-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	44000	43700	300
Shankar-6(105)	29mm	3.5 - 4.9	28	47300	46900	400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48600	48200	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50100	49700	400
DCH-32(107)	34mm	3.0 - 3.8	33	61700	61500	200

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		10-Jul-18	9-Jul-18	
Rajkot	Rs. /10 Kg.	775	775	Unch
New Delhi	Rs. /10 Kg.	740	740	Unch
Hyderabad	Rs. /10 Kg.	NR	NR	-
Mumbai	Rs. /10 Kg.	780	780	Unch

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		10-Jul-18	9-Jul-18	
Mahesana (Kadi)	Rs./Qtl	1796	1786	10
Akola	Rs./Qtl	1690	1676	14

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 10-July-2018

Index	RMB/Ton	Change
CCIndex(328)	16198	-5
CCIndex(527)	15059	-1
CCIndex(229)	16850	-3
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 9-July-2018

Index	Cents/lb	Change
FC Index (S)	99.21	2.45
FC Index (M)	96.55	2.59
FC Index (L)	94.72	2.62

Cotlook Index: As on 9-July-2018

Cotlook Indices	Cents/Pound	Change
A-Index	94.60	2.50

USDA Cotton Spot Rates: As on 9-July-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	86.08	88.33	777
North Delta	85.08	86.83	NIL
South Delta	85.08	86.83	NIL
East TX-OK	81.25	83.75	224
West Texas	81.25	83.75	539
Desert SW	80.83	84.83	NIL
SJ Valley	81.33	90.23	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.): Ason9-July-2018

Contract	Open	High	Low	Close	Change
18-May	87.16	87.16	87.16	87.16	0.78
18-Jul	85.96	87.09	85.43	86.58	0.93
18-Oct	84.35	85.72	84.14	85.47	1.02
18-Dec	84.06	85.54	83.97	85.36	1.08
19-Mar	84.30	85.85	84.28	85.48	0.99
19-May	84.52	85.96	84.52	85.49	0.85

Pakistan Cotton Spot rates: As on 9-July-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8200	145	8345
Equivalent	40 Kgs	8788	155	8943

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