

Domestic Fundamentals:

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

In The News: Sowing of Cotton has been completed on 2.31 lakh hectares in Andhra Pradesh till July 13. Last year the crop was sown in 2.85 Lakh hectares in the same time frame. Lull period post arrival of monsoon 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 of cotton.

In Rajkot market, arrivals were reported around 250 quintals per day, as compared to last week's 330 bags. Market about to close by end of July due to limited arrivals.

Cotton prices traded firm on a slow new crop planting pace and better demand for current crop in domestic as well as international. Cotton prices in Adoni market traded firm at Rs.5,500-6,189 per quintal. However, the prices are significantly higher than Rs.5,000-5,800 during same period last year.

Telangana cotton association says ginners from Telangana won't participate in CCI job work tender unless the newly introduced clause is abolished. New clause says that ginner is bound to give minimum 33% lint and maximum 2% trash in cotton procured by CCI.

Cotton planting is expected to hasten in Maharashtra as excess moisture in Marthwada (27% higher than normal rains) and Vidarbha (11 % higher than normal rains) will prompt farmers to plant greater area with cotton. Additionally farmers indicate land is being prepared for sowing of tur and soyabeans.

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.**

Monsoon Update:

The average rainfall received in Andhra Pradesh from 1-6-2018 to 11-7-2018 is recorded as 153.1 mm as against the Normal as on date of 140.8 mm showing deviation from Normal 9 percent

The nationwide rainfall deficit in the season stands at 9%, with the monsoon 16% below normal in the first 10 days of July. UP and Gujarat received just about half the normal rainfall so far, while deficits have opened up in east and northeast India. The south and many parts of central India though have been receiving bountiful rains.

International Fundamentals

The U.S. 2018/19 cotton projections show lower production, exports and stocks compared with last month. The 1.0 million bale decrease in the crop projection (from 19.5 million bales in June to 18.5 million in July) is due to higher expected abandonment, based on current conditions. Beginning stocks are 200,000 bales lower due to an increase in 2017/18 exports. 2018/19 exports are reduced 500,000 bales based on lower supplies and increased foreign competition. With no change in domestic consumption, 2018/19 ending stocks are projected at 4.0 million bales, down 700,000 bales from the June estimate and unchanged from the revised 2017/18 level. The midpoint of the projected range of the marketing year average price is raised 5 cents from last month, to 75 cents per pound.

Historical revisions to China's consumption back to 2014/15 account for most of a 3.3-million-bale decline in 2018/19 world beginning stocks. World 2018/19 consumption is 1.6 million bales higher than in June, as the revisions to China's consumption estimates carry through into the 2018/19 projection year with a 1.0-million-bale increase. Consumption forecasts are also higher for Bangladesh, Pakistan, Brazil, and Vietnam.

World production is projected 290,000 bales lower than in June, as reduced U.S. and Australian production more than offsets increases for Brazil, India and Mexico. World trade is projected 165,000 bales higher this month, as lower U.S. exports are more than offset by increases by Brazil and China. Ending stocks are 5.2 million bales lower than in June, with the largest declines in China (4.6 million) and the United States. India's and Brazil's ending stocks are forecast higher.

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

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-18	150	22900	23040	22820	22910	1057	-198	6024	-287
Oct-18	170	23970	24010	23770	23840	324	-133	1682	127

Spread	Jul 18		-	-	--	--
Spot	-970			-	-	-
jun-18				-	-	-

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

* Updated at as on 13-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	14-Jul-18	13-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NR	6260	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5520	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	6000	6000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5900	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	NR	6500	-
	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	14-Jul-18	13-Jul-18	
Punjab	Bhatinda	J-34	4875	4860	15
	Abohar	J-34	4870	4860	10
	Mansa	J-34	4875	4850	25

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4860	4850	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Jul-18	13-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NR	245	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	600	250	350
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	125	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	2080	-
	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	14-Jul-18	13-Jul-18	
Punjab	Bhatinda	J-34	NA	NA	-

	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	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
				13-Jul-18	12-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	46700	46100	600
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44500	44000	500
Shankar-6(105)	29mm	3.5 - 4.9	28	48000	47500	500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48900	48400	500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50600	50100	500
DCH-32(107)	34mm	3.0 - 3.8	33	62000	61700	300

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		14-Jul-18	13-Jul-18	
Rajkot	Rs. /10 Kg.	760	765	-5
New Delhi	Rs. /10 Kg.	740	740	Unch
Hyderabad	Rs. /10 Kg.	762	765	-3
Mumbai	Rs. /10 Kg.	780	783	-3

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		14-Jul-18	13-Jul-18	
Mahesana (Kadi)	Rs./Qtl	1870	1876	-6
Akola	Rs./Qtl	1742	1747	-5

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 13-July-2018

Index	RMB/Ton	Change
CCIndex(328)	16192	-1
CCIndex(527)	15039	-2
CCIndex(229)	16848	-1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 13-July-2018

Index	Cents/lb	Change
FC Index (S)	103.01	4.00
FC Index (M)	100.28	4.00
FC Index (L)	98.64	4.00

Cotlook Index: As on 12-July-2018

Cotlook Indices	Cents/Pound	Change
A-Index	94.45	-2.00

USDA Cotton Spot Rates: As on 13-July-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	88.74	90.99	NIL
North Delta	87.74	89.49	NIL
South Delta	87.74	89.49	NIL
East TX-OK	84.00	86.50	1349
West Texas	84.00	86.50	2349
Desert SW	83.49	87.49	39
SJ Valley	83.99	92.89	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.): Ason13-July-2018

Contract	Open	High	Low	Close	Change
18-May	89.75	89.89	88.02	88.90	-0.34
18-Jul	88.89	89.30	86.70	87.84	-0.70
18-Oct	88.85	88.97	86.45	87.62	-0.73
18-Dec	88.48	88.72	86.55	87.77	-0.46
19-Mar	88.37	88.87	86.70	87.74	-0.41
19-May	82.50	82.50	82.50	82.50	-0.22

Pakistan Cotton Spot rates: As on 13-July-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8400	145	8545
Equivalent	40 Kgs	9002	155	9157

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.