

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were witnessed steady to firm on Monday. Expected to trade in the range of 5800 to 6400 for next few weeks. With limited arrivals most of the markets about to close by July and Few markets were already closed.

In The News: All India Cotton Market Seen Upward Trend by 1000-1500 Rs. Per candy for All India Cotton Variety.

All India Daily Arrivals remained 8,000 to 10,000 bales. With limited arrivals, most of the ginning factories are closed. Domestic Mills having short supply due to strong holding from Ginners and MNC Companies and maybe there will be shortage for One Month Period in India.

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.

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.

Monsoon Update:

The country-wide monsoon deficiency has dropped to five per cent but has risen to 30 per cent in east and northeast India. The southern peninsula and central India have been witnessing good rains. The two regions gauged 17 and 7 per cent more precipitation than the normal limit. The IMD has issued a red-coded warning for Goa, Konkan region, parts of Gujarat and Chhattisgarh and an amber-coded warning for parts of Gujarat, Kerala, east Madhya Pradesh and Odisha. A red-coded warning has been issued for the Konkan and parts of Gujarat for July 17. The IMD has a colour coded weather warning system. Red signifies warning and demands necessary action by different agencies. Amber asks people to remain alert. The yellow code is for keeping a watch on the situation and the green code means "no warning. The monsoon trough continues to remain active in the next three days,

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	-80	22960	22970	22810	22820	522	-535	5823	-201
Oct-18	-150	23960	23970	23760	23780	243	-81	1764	82
Spread	Jul 18			-	-	-	--	--	--
Spot	-1000				-	-	-	-	-
jun-18					-	-	-	-	-

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

* Updated at as on 17-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	16-Jul-18	14-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6365	NR	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
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	5960	5900	60
	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	NR	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	5600	4850	750
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	16-Jul-18	14-Jul-18	
Punjab	Bhatinda	J-34	4875	4875	Unch
	Abohar	J-34	4870	4870	Unch
	Mansa	J-34	4850	4875	-25

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

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Jul-18	14-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	80	NR	-
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	200	600	-400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	125	125	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	NR	NR	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	67	37	30
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	16-Jul-18	14-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
				14-Jul-18	13-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	46700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44800	44500	300
Shankar-6(105)	29mm	3.5 - 4.9	28	48500	48000	500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49200	48900	300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50900	50600	300
DCH-32(107)	34mm	3.0 - 3.8	33	62200	62000	200

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		16-Jul-18	14-Jul-18	
Rajkot	Rs. /10 Kg.	760	760	Unch
New Delhi	Rs. /10 Kg.	740	740	Unch
Hyderabad	Rs. /10 Kg.	762	762	Unch
Mumbai	Rs. /10 Kg.	775	780	-5

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		16-Jul-18	14-Jul-18	
Mahesana (Kadi)	Rs./Qtl	1889	1870	19
Akola	Rs./Qtl	1765	1742	23

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 16-July-2018

Index	RMB/Ton	Change
CCIndex(328)	16187	-5
CCIndex(527)	15037	-2
CCIndex(229)	16848	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 16-July-2018

Index	Cents/lb	Change
FC Index (S)	102.26	-0.75
FC Index (M)	99.56	-0.72
FC Index (L)	97.89	-0.75

Cotlook Index: As on 13-July-2018

Cotlook Indices	Cents/Pound	Change
A-Index	98.45	4.00

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 14-July-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8600	145	8745
Equivalent	40 Kgs	9217	155	9372

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