

### Domestic Fundamentals:

**Market Outlook:** Cotton spot market prices were noticed weak tone 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 are already closed.

**In the News:** All India cotton sowing reached 92.712 Lakh hectares against 104.266 Lakh hectares last year as on 20 July 2018

**The average rainfall received in Andhra Pradesh from 1-6-2018 to 18-7-2018 is recorded as 190.2 mm** as against the Normal as on date of 179.5mm showing deviation from Normal 6 percent. Sowings of rain fed crops are under progress in all the districts of Andhra Pradesh early sown crops like Cotton sugarcane and Pulses at vegetative stage. The sucking pests were noticed in the cotton in the districts of Kurnool Ananthpuram and Krishna.

**As per Cotton Corporation Of India** all India total arrivals Till 16 July 2018 reached 3,50,75,060 Bales

**Revival of rains after a two-week lull has not rekindled any hopes for cotton farmers in Telangana.** Though cotton sowing has been carried on about 12.1 lakh hectares (lh), the farmers are not much elated as they fear the rains are not enough for the crop to grow. The as-on-date numbers for sowing surpassed that of average as-on-date figure of 11.70 lh. This, however, was way lower than last year's as-on-date sown area of 14 lh.

**According to the data shared by the Directorate General of Foreign Trade (DGFT),** in 2017-18, India exported 3.92 lakh tonnes (lt) of cotton (with length of 28.5 mm and above but not exceeding 34.5 mm) worth \$715 million to Bangladesh, up 12 per cent from 3.50 lt worth \$600 million in 2016-17. Exports to China, however, fell by 55 per cent between 2016-17 and 2017-18 from 1.54 lt to 69,219 tonnes. Exports to Pakistan remained almost flat at 1.46 lt in 2016-17 and 1.47 lakh tonnes in 2017-18.

**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.

**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.

### Monsoon Update:

**The overall monsoon deficiency in the country has, however, dipped to 3%.** The overall deficiency in eastern and northeastern India is 34%, the highest in the country compared to the other meteorological divisions of the country. The Northwest India division, comprising Uttar Pradesh, Haryana, Punjab, Himachal Pradesh, Rajasthan and Jammu and Kashmir, has recorded 9% of negative rainfall or less rainfall than the long period average. The picture is, however, better in the southern peninsula and central India, which have recorded 15% and 16% more rainfall than the average respectively.

### International Fundamentals

**ICE cotton futures slipped to a week low on Friday** in subdued trading as investors remained on the sidelines amid intensifying trade tensions between the United States and China. The most active cotton contract on ICE Futures U.S., the second-month December contract, settled down 0.47 cent, or 0.54 percent, at 87.08 cents per lb. It traded within a range of 86.2, lowest since July 12, and 88.09 cents a lb.

**The latest U.S. Department of Agriculture (USDA) cotton projections for 2018/19 (August-July)** indicate that world cotton mill use is forecast to reach a new record, in large part reflecting additional expected growth in the world economy. Global cotton consumption is projected at 127.0 million bales in 2018/19, 3.9 percent above 2017/18's 122.2-million-bale estimate. Mill use is forecast to rise in each of the leading raw cotton spinners in 2018/19, with China accounting for more than one-third of the world total.

**Cotton mill use growth varies by country and year of comparison.** Using 2015/16 as the base year, 2018/19 world cotton consumption is projected 12 percent higher. Likewise, relative to 3 years ago, cotton mill use in China in 2018/19 is expected 18 percent higher; in India, 2 percent higher; and in Pakistan, 4 percent higher. In addition, cotton mill use in Bangladesh and Vietnam continues to expand and the growth since 2015/16 has been remarkable. For Bangladesh, 2018/19 mill use is projected 27 percent higher than in 2015/16, while the growth for Vietnam is even more dramatic, with 2018/19 mill use expected to be nearly 67 percent above the 2015/16 level.

**The All Pakistan Textile Mills Association (APTMA) has termed the re-imposition of 3 per cent customs duty and 2 per cent additional customs duty on the import of cotton 'the last nail in the coffin' for the ailing textile industry.** Cotton crop has been below target for three consecutive seasons, contradicting production claims by the cotton commissioner, it said. The duties were effective starting July 15.

<b>MCX Cotton Futures*: (Prices in Rs/170 kgs)</b>									
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-18	-0.54	22200	22220	22080	22160	610	-1015	3638	-253
Oct-18	-0.64	23540	23540	23390	23450	382	-435	2703	92
Spread	Jul 18			-	-	--	--		
Spot	-1320			-	-	-	-		-
jun-18				-	-	-	-		-

(NB: Spread Basis = Spot- Near Month Future)  
 \* Updated at as on 23-July 2018 at 5:00 PM

### DOMESTIC PRICES AND ARRIVALS

#### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	23-Jul-18	21-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6305	6350	-45
	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	5900	6000	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5800	5810	-10
	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	4320	4320	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	6420	NR	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	6000	5930	70
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	23-Jul-18	21-Jul-18	Change
Punjab	Bhatinda	J-34	4830	4860	-30
	Abohar	J-34	4840	4850	-10
	Mansa	J-34	4830	4840	-10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4820	4850	-30
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	23-Jul-18	21-Jul-18	Change
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	280	180	100
	Patan	B.T. Cotton	NA	NA	-

	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	100	100	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	40	100	-60
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
<b>Maharashtra</b>	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NR	NR	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
<b>Telangana</b>	Adilabad	Un-Ginned	NA	NR	-
<b>Andhra Pradesh</b>	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
<b>Karnataka</b>	Bijapur	Bunny	157	NR	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	105	67	38
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>23-Jul-18</b>	<b>21-Jul-18</b>	
<b>Punjab</b>	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
<b>Haryana</b>	Sirsa	J-34	NA	NA	-
<b>Rajasthan</b>	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
				21-Jul-18	20-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	46400	46400	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44800	44800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	47800	47900	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48700	48700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50600	50600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	61700	61700	Unch

### Cotton Seed Oil Prices

Centre	Unit	Price		Change
		23-Jul-18	21-Jul-18	
Rajkot	Rs. /10 Kg.	790	790	Unch
New Delhi	Rs. /10 Kg.	760	760	Unch
Hyderabad	Rs. /10 Kg.	775	775	Unch
Mumbai	Rs. /10 Kg.	792	790	2

### Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		23-Jul-18	21-Jul-18	
Mahesana (Kadi)	Rs./Qtl	1856	1873	-17
Akola	Rs./Qtl	1778	1792	-14

### INTERNATIONAL PRICES AND INDICES

#### China Cotton Index: As on 23-July-2018

Index	RMB/Ton	Change
CCIndex(328)	16181	Unch
CCIndex(527)	15028	-1
CCIndex(229)	16841	-2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

#### China Foreign Cotton (FCE) Index : As on 23-July-2018

Index	Cents/lb	Change
FC Index (S)	101.31	-0.50
FC Index (M)	98.52	-0.50
FC Index (L)	96.79	-0.50

#### Cotlook Index: As on 20-July-2018

Cotlook Indices	Cents/Pound	Change
A-Index	97.45	-0.50

**USDA Cotton Spot Rates: As on 20-July-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	87.24	89.49	288
North Delta	86.24	87.99	NIL
South Delta	86.24	87.99	NIL
East TX-OK	82.25	84.75	NIL
West Texas	82.25	84.75	NIL
Desert SW	81.99	85.99	NIL
SJ Valley	82.49	91.39	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.): Ason20-July-2018**

Contract	Open	High	Low	Close	Change
18-Oct	88.43	88.52	86.90	87.74	-0.56
18-Dec	87.66	88.09	86.20	87.08	-0.47
19-Mar	87.47	87.93	86.09	86.96	-0.47
19-May	87.95	87.95	86.22	87.03	-0.53
19-Jul	87.96	87.96	86.40	87.11	-0.53
19-Oct	82.06	83.00	81.82	81.82	-0.41

**Pakistan Cotton Spot rates: As on 21-July-2018**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	9400	145	9545
Equivalent	40 Kgs	10074	155	10229

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