

Domestic Fundamentals:

Market Outlook: Cotton spot market prices traded firm on lower supplies and bullish cues from overseas market. 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

China State Reserve Sold only 63.31% Of Cotton From Total Amount Put For Auction. China State Reserve Sold 18996.2642 MT out of 30006.8649 MT. The average transaction price was 15,006 Yuan/ton, Up 150 Yuan/ton from the previous day. Discount 3128 price 16361 Yuan/ton, Done 38 Yuan/ton from the previous day.

ICE cotton futures fell for a fourth consecutive session on Monday, ahead of a weekly crop progress report from the U.S. government, on lower demand for the natural fiber. The most active cotton contract on ICE Futures U.S., the second-month December contract, settled down 0.27 cent, or 0.31 percent, at 86.81 cents per lb. It traded within a range of 86.36 and 87.25 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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-18	0.36	22000	22150	21970	22140	890	280	3182	-456
Oct-18	0.09	23310	23460	23310	2933	23310	22928	2933	230
Spread	Jul 18			-	-		--		--
Spot	-1310				-		-		-
jun-18					-		-		-

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

* Updated at as on 24-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	24-Jul-18	23-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NR	6305	-
	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	5900	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5825	5800	25
	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	NR	6420	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	6000	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	24-Jul-18	23-Jul-18	
Punjab	Bhatinda	J-34	4810	4830	-20
	Abohar	J-34	4810	4840	-30
	Mansa	J-34	4810	4830	-20

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

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Jul-18	23-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NR	280	-
	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	300	100	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	50	40	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	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	157	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	105	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	24-Jul-18	23-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
				23-Jul-18	21-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	46100	46400	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44800	44800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	47800	47800	Unch
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
		24-Jul-18	23-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.	795	792	3

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		24-Jul-18	23-Jul-18	
Mahesana (Kadi)	Rs./Qtl	1835	1856	-21
Akola	Rs./Qtl	1771	1778	-7

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 24-July-2018

Index	RMB/Ton	Change
CCIndex(328)	16175	-6
CCIndex(527)	15016	-12
CCIndex(229)	16830	-11
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 24-July-2018

Index	Cents/lb	Change
FC Index (S)	100.95	-0.36
FC Index (M)	98.10	-0.42
FC Index (L)	96.35	-0.44

Cotlook Index: As on 23-July-2018

Cotlook Indices	Cents/Pound	Change
A-Index	96.95	-0.50

USDA Cotton Spot Rates: As on 23-July-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	86.97	89.22	NIL
North Delta	85.97	87.72	NIL
South Delta	85.97	87.72	NIL
East TX-OK	82.25	84.75	NIL
West Texas	82.25	84.75	NIL
Desert SW	81.72	85.72	NIL
SJ Valley	82.22	91.12	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.): Ason23-July-2018

Contract	Open	High	Low	Close	Change
18-Oct	87.47	87.62	87.24	87.47	-0.27
18-Dec	86.98	87.25	86.36	86.81	-0.27
19-Mar	86.89	87.12	86.24	86.77	-0.19
19-May	86.70	86.96	86.44	86.90	-0.13
19-Jul	86.76	87.07	86.60	87.05	-0.06
19-Oct	81.84	81.84	81.84	81.84	0.02

Pakistan Cotton Spot rates: As on 23-July-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
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Cotton	37.32 Kgs	9300	145	9445
Equivalent	40 Kgs	9967	155	10122

Disclaimer

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