

### Domestic Fundamentals:

**Market Outlook:** Cotton spot market prices were noticed firm tone on Friday. 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:** North India cotton season starting early one month than all other region in India. In Punjab, Haryana and Rajasthan harvesting will begin in end of August or September month and other cotton growing states like Gujarat, Maharashtra, MP, Telanagana, Karnataka and Andhra Pradesh will start in October month. Till now there is no pest attack on cotton crop and crop is at healthy stage.

**In forward trade the multinational companies and leading cotton traders offering new cotton** crop at 48300-48500 Rs/Candy in November, 47800-48000 Rs/Candy in December and 47300-47500 Rs/ candy in January 2019. Indian Cotton S6 29 mm Offering at 95.5 - 96 USC/LBS to Chittagong, Bangladesh Market while for China Market 92.50 -93 USC / LBS in direct export.

**The Cotton Advisory Board (CAB) has estimated** that during the current cotton season of October, 2017 to September, 2018, the export of cotton from India is likely to increase by 20% over last year and is expected to touch 70 lakh bales by September, 2018, a release from the Press Information Bureau said.

**Gujarat Cotton Sowing Reached 21,84,172 Hectares till 23rd July 2018** vs 25,84,600 Hectares Last year, as per Government of Gujarat Data.

**The area under cotton cultivation has shrunk by 20%as compared to last year** in western Vidarbha with the possibility of soybean and tur being preferred as a cash crop this kharif season. With good rains all over the region, sowing operations are nearing completion according to top agriculture officials of Amravati and Nagpur divisions. However, in eastern Vidarbha's Nagpur division the picture is a contrast with cotton area going up to 137% of the normal estimate and soybean as well as tur showing a dip.

**At the National Commodity and Derivatives Exchange counter, cottonseed oil cake delivery** for August gained by Rs 4.50 or 0.25 per cent to Rs 1,778 per quintal, in an open interest of 82,660 lots.

**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.

**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.

### Monsoon Update:

**An active monsoon condition over the past 12 days has seen the country wide rain deficit reduce to 2% from a high of 9%. Rains have been also particularly poor in Uttar Pradesh, which currently has a season's shortfall of 42%. Bihar and Jharkhand, too, have deficits of 46% and 35%, respectively. The Met office expects the monsoon to remain active in the rest of the month, which means monsoon in July is likely to be normal.**

### International Fundamentals

**The trade war between China and US continues to be the main topic worries. The Chinese customs has already started to collect 25% tax on US imports under the normal trade quota. For processing quota mills still can avoid this high tax. Most mills are not ready buy imported cotton as they feel ICE is too high.**

**The most active cotton contract on ICE Futures U.S., the second-month December contract, settled up 1.27 cent, or 1.46 percent, at 87.97 cents per lb. It traded within a range of 86.69 and 88.59 cents a lb, a peak since July 18.**

**China State Reserve Sold 21571.3771 Mts out of 30012.109 Mts. The average transaction price was 14,931 yuan / ton, Down 120 yuan / ton from the previous day. Discount 3128 price 16327 yuan /ton, Down 118 yuan/ton from the previous day. From March 12 to July 26, the accumulated turnover of reserve cotton was 17,23,200 tons, and the turnover rate was 59.82%. the highest traded price 17700 Yuan / ton, the lowest price 12700 Yuan / ton.**

**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	-0.71	22390	22430	22210	22220	401	-16	2134	-416
Oct-18	0.13	23460	23650	23460	23550	313	-19	3279	77

Spread	Jul 18		-	-	--	--
Spot	-1220		-	-	-	-
jun-18			-	-	-	-

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

\* Updated at as on 27-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	27-Jul-18	26-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NR	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	5900	5850	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5800	5900	-100
	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	NA	NA	-
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	6510	-
	Hubli	D.C.H.	NR	5201	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	6050	6050	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	27-Jul-18	26-Jul-18	
Punjab	Bhatinda	J-34	4825	4830	-5
	Abohar	J-34	4820	4820	Unch
	Mansa	J-34	4825	4800	25

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
<b>Haryana</b>	Sirsa	J-34	4810	4820	<b>-10</b>
<b>Rajasthan</b>	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Jul-18	26-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	NR	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	400	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	60	50	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	NA	NA	-
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	150	-
	Hubli	D.C.H.	NR	10	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	52	67	-15
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	27-Jul-18	26-Jul-18	
Punjab	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
				26-Jul-18	25-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	45900	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	45100	44800	300
Shankar-6(105)	29mm	3.5 - 4.9	28	48000	47800	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48900	48700	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50600	50600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	62000	61700	300

**Cotton Seed Oil Prices**

Centre	Unit	Price		Change
		27-Jul-18	26-Jul-18	
Rajkot	Rs. /10 Kg.	790	790	Unch
New Delhi	Rs. /10 Kg.	765	762	3
Hyderabad	Rs. /10 Kg.	782	780	2
Mumbai	Rs. /10 Kg.	795	795	Unch

**Cotton Seed Oil Seed Cake Prices**

Centre	Unit	Price		Change
		27-Jul-18	26-Jul-18	
Mahesana (Kadi)	Rs./Qtl	1874	1864	10
Akola	Rs./Qtl	1801	1788	13

**INTERNATIONAL PRICES AND INDICES**
**China Cotton Index: As on 27-July-2018**

Index	RMB/Ton	Change
CCIndex(328)	16199	18
CCIndex(527)	15042	16
CCIndex(229)	16859	20

RMB -Renminbi, 1RMB =0.16 \$U.S.

**China Foreign Cotton (FCE) Index : As on 27-July-2018**

Index	Cents/lb	Change
FC Index (S)	102.25	0.26
FC Index (M)	99.33	0.26
FC Index (L)	97.59	0.25

**Cotlook Index: As on 26-July-2018**

Cotlook Indices	Cents/Pound	Change
A-Index	97.95	1.25

**USDA Cotton Spot Rates: As on 26-July-2018**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	88.53	90.78	NIL
North Delta	87.53	89.28	234
South Delta	87.53	89.28	NIL
East TX-OK	83.25	85.75	NIL
West Texas	83.25	85.75	NIL
Desert SW	83.28	87.28	NIL
SJ Valley	83.78	92.68	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.): Ason26-July-2018**

Contract	Open	High	Low	Close	Change
18-Oct	88.88	89.17	88.23	89.03	0.23
18-Dec	88.10	88.31	87.00	88.23	0.26
19-Mar	87.94	88.15	86.96	88.10	0.30
19-May	87.91	88.11	87.01	88.08	0.29
19-Jul	87.80	88.10	87.09	88.08	0.32
19-Oct	82.51	82.51	82.51	82.51	0.33

**Pakistan Cotton Spot rates: As on 26-July-2018**

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	9200	145	9345
Equivalent	40 Kgs	9860	155	10015

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