

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were noticed firm on Tuesday. Expected to trade in the range of 5800 to 6500 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: Gujarat cotton prices of 29 mm remained between 48,050 to 48,400 Rs /Candy. All India daily arrivals remained 4500 to 6500 bales.

Cotton spot markets noticed slightly weak during the week. Average price of Lint at Sirsa during the week was Rs. 4826 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4855. Cotton fiber (Shankar-6) prices noticed slightly weak this week Average price was Rs 47850 per candy (of 355.6 kg each) during the week, which was Rs 48150 per candy previous week.

The pink bollworm has again attacked cotton plants in Maharashtra this year, causing concern among farmers and the state government. The pest had caused large-scale damage to the cotton crop last year in central and eastern Maharashtra, the state's main regions producing the commodity. The pink bollworm attack on cotton has been reported this year from Akola and Washim districts in Vidarbha and Nanded and Parbhani in Marathawada, a senior official in the agriculture department said.

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.

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 U.S net UPLAND sales of 2300 running bales for this season were down 82 percent from the previous week and 93 percent from the prior 4 week average. UPLAND exports of 293300 RB were up 29 percent from previous week, but down 7 percent from the prior 4 week average. The primary destinations were Turkey (70400 RB), Vietnam (63900 RB), Indonesia (26200 RB) Mexico (23200 RB) and China(21000 RB).

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Jul-18	-0.31	22550	22550	22050	22510	529	-217	1180	-281
Oct-18	0.17	23920	24110	23890	23990	1380	447	3834	250

Spread	Jul 18		-	-	--	--
Spot	-1560		-	-	-	-
jun-18			-	-	-	-

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

* Updated at as on 31-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	31-Jul-18	30-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6425	6300	125
	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	5850	5800	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	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	6520	6489	31
	Hubli	D.C.H.	NR	4519	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	6000	NR	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	31-Jul-18	30-Jul-18	
Punjab	Bhatinda	J-34	4810	4750	60
	Abohar	J-34	4810	4770	40
	Mansa	J-34	4800	4750	50

	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4800	4770	30
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	31-Jul-18	30-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	200	140	60
	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	100	100	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	50	30	20
	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	218	408	-190
	Hubli	D.C.H.	NR	4	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	67	NR	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	31-Jul-18	30-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
				30-Jul-18	28-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	45600	45800	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	45500	45500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	48100	48100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48900	48900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50600	50600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	62000	62000	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		31-Jul-18	30-Jul-18	
Rajkot	Rs. /10 Kg.	795	795	Unch
New Delhi	Rs. /10 Kg.	770	770	Unch
Hyderabad	Rs. /10 Kg.	785	785	Unch
Mumbai	Rs. /10 Kg.	800	800	Unch

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		31-Jul-18	30-Jul-18	
Mahesana (Kadi)	Rs./Qtl	1932	1917	15
Akola	Rs./Qtl	1838	1830	8

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 31-July-2018

Index	RMB/Ton	Change
CCIndex(328)	16199	Unch
CCIndex(527)	15039	-3
CCIndex(229)	16857	-2

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

China Foreign Cotton (FCE) Index : As on 31-July-2018

Index	Cents/lb	Change
FC Index (S)	102.94	0.69
FC Index (M)	99.98	0.65
FC Index (L)	98.34	0.75

Cotlook Index: As on 30-July-2018

Cotlook Indices	Cents/Pound	Change
A-Index	98.00	Unch

USDA Cotton Spot Rates: As on 30-July-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	89.45	91.70	NIL
North Delta	88.45	90.20	NIL
South Delta	88.45	90.20	NIL
East TX-OK	84.00	86.50	249
West Texas	84.00	86.50	NIL
Desert SW	84.20	88.20	NIL
SJ Valley	84.70	93.60	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.): Ason30-July-2018

Contract	Open	High	Low	Close	Change
18-Oct	89.08	90.61	88.48	89.95	0.89
18-Dec	88.34	89.76	87.80	89.20	0.86
19-Mar	88.19	89.49	87.60	88.94	0.80
19-May	87.90	89.32	87.63	88.82	0.68
19-Jul	87.95	89.17	87.69	88.71	0.55
19-Oct	82.47	82.47	82.47	82.47	0.05

Pakistan Cotton Spot rates: As on 30-July-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	9000	145	9145
Equivalent	40 Kgs	9645	155	9800

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