

Domestic Fundamentals:

Market Outlook: Cotton spot market prices were witnessed steady to weak on Wednesday. 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:

During the next 24 hours, moderate to heavy rain with one or two very heavy spells are expected over south and central parts of Uttar Pradesh. Light to moderate rain with one or two moderate spells are likely over Uttarakhand, remaining Uttar Pradesh, parts of Bihar, Sub-Himalayan West Bengal, Sikkim, Assam, Meghalaya, Nagaland, and parts of Kerala. Himachal Pradesh, North Madhya Pradesh, parts of Chhattisgarh and Vidarbha, Odisha, Remaining West Bengal, Manipur, Mizoram, and Tripura would see light to moderate rains.

International Fundamentals

On August 1st, the reserve cotton sales resources were 30008.8081 tons, the actual turnover was 16537.0022 tons, and the turnover rate was 55.11%. The average transaction price was 14,929 yuan/ton (down 103 yuan/ton from the previous day), the price of 3128 was 16,351 yuan/ton (down 25 yuan/ton from the previous day).

ICE cotton futures rose on Tuesday to their highest level since mid-June, following a report that the United States, the top exporter of the natural fiber, and China, the biggest consumer, would resume negotiations to defuse a trade war. The most active cotton contract on ICE Futures U.S., the second-month December contract, settled up 0.39 cent, or 0.44 percent, at 89.59 cents per lb.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-18	-0.5	24060	24070	23900	24000	616	87	3954	2774
Nov-18	-0.21	23560	23650	23520	23590	161	-1219	2746	-1088

Spread	Oct 18		-	-	--	--
Spot	420			-	-	-
Oct-18				-	-	-

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

* Updated at as on 01-Aug- 2018 at 5:00 PM

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	1-Aug-18	31-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6425	6425	Unch
	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	5800	5900	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5815	5850	-35
	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	6530	6520	10
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	5800	6000	-200
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	1-Aug-18	31-Jul-18	
Punjab	Bhatinda	J-34	4830	4810	20
	Abohar	J-34	4825	4810	15

	Mansa	J-34	4825	4800	25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4810	4800	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-Aug-18	31-Jul-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	240	200	40
	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	25	50	-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	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	290	218	72
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	15	67	-52
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Aug-18	31-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
				31-Jul-18	30-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	45600	500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	45700	45500	200
Shankar-6(105)	29mm	3.5 - 4.9	28	48300	48100	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49100	48900	200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50800	50600	200
DCH-32(107)	34mm	3.0 - 3.8	33	62000	62000	Unch

Cotton Seed Oil Prices

Centre	Unit	Price		Change
		1-Aug-18	31-Jul-18	
Rajkot	Rs. /10 Kg.	810	795	15
New Delhi	Rs. /10 Kg.	780	770	10
Hyderabad	Rs. /10 Kg.	795	785	10
Mumbai	Rs. /10 Kg.	810	800	10

Cotton Seed Oil Seed Cake Prices

Centre	Unit	Price		Change
		1-Aug-18	31-Jul-18	
Mahesana (Kadi)	Rs./Qtl	1909	1932	-23
Akola	Rs./Qtl	1825	1838	-13

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 01-August-2018

Index	RMB/Ton	Change
CCIndex(328)	16208	9
CCIndex(527)	15051	12
CCIndex(229)	16883	26
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 01-August-2018

Index	Cents/lb	Change
FC Index (S)	103.28	0.34
FC Index (M)	100.38	0.40
FC Index (L)	98.83	0.49

Cotlook Index: As on 31-July-2018

Cotlook Indices	Cents/Pound	Change
A-Index	98.70	0.70

USDA Cotton Spot Rates: As on 31-July-2018

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	89.78	92.03	NIL
North Delta	88.78	90.53	NIL
South Delta	88.78	90.53	NIL
East TX-OK	84.25	86.75	368
West Texas	84.25	86.75	NIL
Desert SW	84.53	88.53	NIL
SJ Valley	85.03	93.93	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.): Ason31-July-2018

Contract	Open	High	Low	Close	Change
18-Oct	90.44	90.57	90.28	90.28	0.33
18-Dec	89.05	89.82	88.90	89.59	0.39
19-Mar	88.80	89.74	88.77	89.50	0.56
19-May	88.99	89.61	88.70	89.39	0.57
19-Jul	88.70	89.35	88.57	89.12	0.41
19-Oct	83.65	83.65	83.53	83.53	1.06

Pakistan Cotton Spot rates: As on 31-July-2018

(in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8800	145	8945
Equivalent	40 Kgs	9431	155	9586

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