

Domestic Fundamentals:

Market Outlook: Cotton spot market prices traded slightly weak on Wednesday. Acreage drop in the coming season as well as adverse weather conditions in other key cotton growing countries and good global demand is likely to keep cotton prices firm. International cotton price is hanging in 86-90 cent range since last 2 weeks. But time cycle which is starting from 9th Aug can change the scenario. Prices may fly 2-4 cents higher.

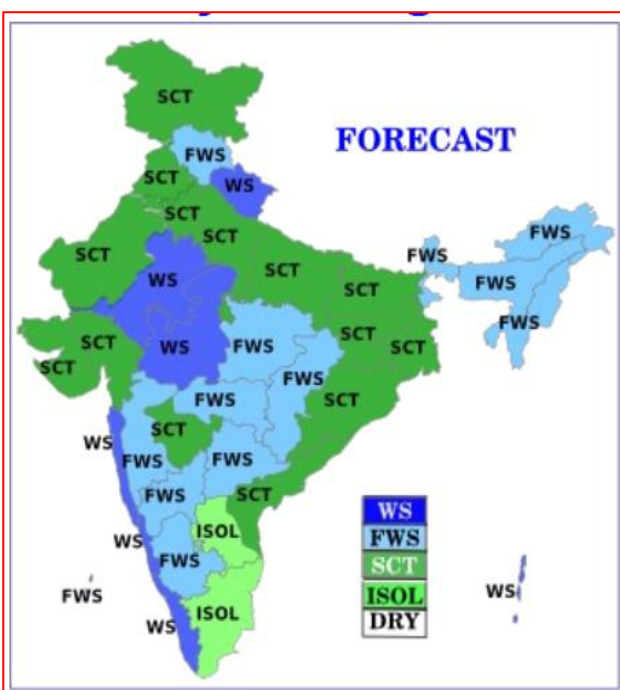
In the News: India doubled the import tax on more than 300 textile products to 20 percent on Tuesday as the world's biggest producer of cotton tries to curb rising imports from China. It was the second tax hike on textiles in as many months after an increase on other products including fiber and apparels last month. The moves are expected to provide relief to the domestic textile industry, which has been hit by cheaper imports. India's total textile imports jumped by 16 percent to a record \$7 billion in the fiscal year to March 2018.

The Maharashtra agriculture department has directed seed companies to pay compensation worth Rs 93 crore to cotton farmers for the damage caused by the Pink Bollworm attack, top officials said. Notices have been issued to the companies in this regard. So far, hearings in 9 lakh complaints have been completed. A total of about 14 lakh complaints have been filed by farmers. seed companies have been granted one month's time to file their replies. After this, they can appeal to the Commissioner of Agriculture. At least 12 districts are reported to be affected by pink bollworm.

Northern Maharashtra and western Madhya Pradesh have enough moisture to maintain aggressive summer crop growth during the coming week. Rainfall during the second week of the outlook will be important for restoring soil moisture and a few areas may not receive enough rain to significantly improve the moisture profile. Crop conditions in eastern Rajasthan will remain favorable during the next two weeks as long as timely rain returns during the second week. Gujarat and the remaining portions of Rajasthan will continue to dry significantly raising crop stress and some concern over long term production potentials.

According to trade and Agricultural Department sources, the Pink Bollworm and sucking pests have been reported in cotton crop at below ETL in the districts of Krishna, Kadapa Ananthapuram and Kurnool districts of Andhra Pradesh.

Weather Update:



9 Aug: Heavy to very heavy rain at isolated places very likely over East Rajasthan and West Madhya Pradesh and heavy rain at isolated places over Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, East Madhya Pradesh, Kerala, Coastal Karnataka and Konkan & Goa.

Private weather forecaster Skymet has downgraded its outlook for this year's monsoon to 'below normal' from its earlier forecast of normal rains for the season, saying August and September were likely to witness depressed rainfall. The monsoon could end up at 92% of LPA, with Aug likely to see poor rainfall at 88% and September performing a shade better at 93%. The monsoon is likely to go into a prolonged weak phase during August.

SPATIAL DISTRIBUTION (% of Stations reporting)			
% Stations	Category	% Stations	Category
76-100	Widespread (WS/Most Places)	26-50	Scattered (SCT/ A Few Places)
51-75	Fairly Widespread (FWS/ Many Places)	1-25	Isolated (ISOL)
	Dry (No station reported Rainfall)		

International Fundamentals

Cotton crop has been cultivated over 2.69 million hectares across Pakistan during the current sowing season—a 1 per cent rise over the last season to produce 14 million bales, which is enough to meet the domestic demand and the requirement for exports, according to Khalid Abdullah, cotton commissioner in the ministry of national food security and research. Crop cultivation targets were achieved by over 91 per cent this season.

In Pakistan farmers and ginneries are expecting cotton production of around 11 million bales this crop year against the official target of over 14 million due to poor quality seeds, late sowing, water shortage and low acreage in high-yielding region. Pakistan Central Cotton Committee data showed that the cotton sowing target of 2.95 million hectares has already been missed by around 10 percent as sowing could be completed at 2.66 million hectares of land. Punjab marginally remained short of target of 2.31 million hectares by planting cotton at 2.29 million hectares.

US net sales of 19,600 running bales for 2017/2018 were up noticeably from the previous week, but down 49 percent from the prior 4-week average. Increases reported for China (6,500 RB), South Korea (5,000 RB), Taiwan (3,400 RB), Pakistan (2,300 RB, including decreases of 100 RB), and India (1,300 RB, including decreases of 600 RB).

Global production for the 2018/19 season is currently projected at 25.9 million tonnes, which would represent a 4% decrease. Global consumption, on the other hand, is currently projected to increase 4% to 27.5 million tonnes. With global consumption at an all-time high, pressure on stocks is expected to reduce global reserves by 1.6 million tonnes to finish the 2018/19 season at 17.7 million tonnes. Stocks in China are projected to decrease for the fifth consecutive year to 7.5 million tonnes, while stocks outside are expected to remain stable at 10.1 million tonnes.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-18	-0.04	23970	24030	23930	23980	398	-287	4054	-7
Nov-18	0.04	23570	23610	23540	23560	132	36	2495	-35
Spread	Oct 18			-	-	-	-	-	-
Spot	420			-	-	-	-	-	-
Oct-18				-	-	-	-	-	-

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

* Updated at as on 08-Aug- 2018 at 5:00 PM

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	07-Aug-18	06-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6450	6500	-50
	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	5850	5850	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5835	5835	Unch
	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	6570	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	6075	6079	-4
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	07-Aug-18	06-Aug-18	
Punjab	Bhatinda	J-34	4815	4805	10
	Abohar	J-34	4820	4800	20
	Mansa	J-34	4800	4800	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4810	4790	20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	07-Aug-18	06-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	170	200	-30
	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	10	20	-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	313	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	22	22	Unch
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	07-Aug-18	06-Aug-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	-

Centre	Unit	Price		Change
		07-Aug-18	06-Aug-18	
Rajkot	Rs. /10 Kg.	790	795	-5
New Delhi	Rs. /10 Kg.	775	775	Unch
Hyderabad	Rs. /10 Kg.	790	790	Unch

Mumbai	Rs. /10 Kg.	820	820	Unch
--------	-------------	-----	-----	------

Centre	Unit	Price		Change
		07-Aug-18	06-Aug-18	
Mahesana (Kadi)	Rs./Qtl	1842	1833	9
Akola	Rs./Qtl	1768	1768	Unch

DOMESTIC PRICES AND ARRIVALS

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				08-Aug-18	07-Aug-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	45800	45800	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46000	46000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	48100	48100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49300	49300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	51200	51200	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	62800	62800	Unch

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 08-August-2018		
Index	RMB/Ton	Change
CCIndex(328)	16258	25
CCIndex(527)	15082	7
CCIndex(229)	16936	29
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 08-August-2018		
Index	Cents/lb	Change
FC Index (S)	101.80	-0.46
FC Index (M)	98.38	-0.43
FC Index (L)	96.71	-0.50

Cotlook Index: As on 8-Aug-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	98.25	0.25

USDA Cotton Spot Rates: As on 7-August-2018			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	88.19	90.44	NIL
North Delta	87.19	88.94	NIL
South Delta	87.19	88.94	NIL
East TX-OK	82.69	85.9	26
West Texas	82.69	85.19	NIL
Desert SW	82.94	86.94	NIL
SJ Valley	83.44	92.34	NIL

Pakistan Cotton Spot rates: As on 7-August-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	9100	160	9260
Equivalent	40 Kgs	9752	171	9923

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.