

Domestic Fundamentals:

Market Outlook: Cotton spot market prices traded firm 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: According to trade sources, the poor rainfall in key growing regions may hit cotton yield as well as acreage and drag India's cotton production 5-7% lower on year to 34-35 mln bales (1 bale = 170 kg) in the year starting October. Looking at shortfall in rains in Gujarat, Maharashtra and some southern states, there is scope to believe output should fall at least 5%,

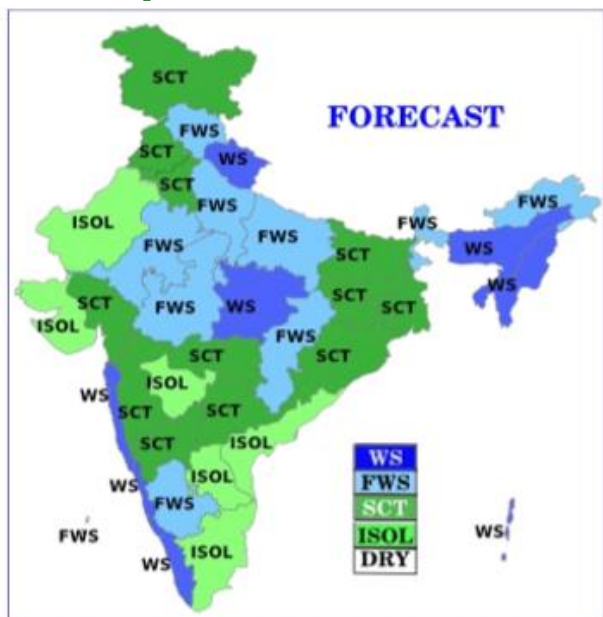
India doubled the import tax on more than 300 textile products to 20 percent on Tuesday as the world's biggest producer of cotton tries to curb rising imports from China. It was the second tax hike on textiles in as many months after an increase on other products including fiber and apparels last month. 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:



10th Aug Heavy rain at isolated places very likely over Uttarakhand, West Madhya Pradesh, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Coastal & South Interior Karnataka, Tamilnadu and Kerala.

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	0.21	23900	24030	23850	24010	454	56	4024	-30
Nov-18	0.04	23480	23610	23480	23580	176	44	2488	-7
Spread	Oct 18			-		-	--	--	--
Spot	420					-	-	-	-
Oct-18						-	-	-	-

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

* Updated at as on 09-Aug- 2018 at 5:00 PM

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	09-Aug-18	08-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6550	6470	80
	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	5800	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5850	5850	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	#REF!	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4320	4320	Unch
Andhra Pradesh	Guntur	Un-Ginned	0	NA	-
	Kurnool	Un-Ginned	0	NA	-
	Krishna	Un-Ginned	0	NA	-
	East Godavari	Un-Ginned	0	NA	-
Karnataka	Bijapur	Bunny	6460	6490	-30
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	5950	6263	-313
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	09-Aug-18	08-Aug-18	
Punjab	Bhatinda	J-34	4810	4820	-10
	Abohar	J-34	4810	4830	-20
	Mansa	J-34	4790	4800	-10
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4800	4800	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	09-Aug-18	08-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	320	270	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	100	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	NA	NA	-
	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	0	NA	-
	Kurnool	Un-Ginned	0	NA	-
	Krishna	Un-Ginned	0	NA	-
	East Godavari	Un-Ginned	0	NA	-
Karnataka	Bijapur	Bunny	200	125	75
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	7	60	-53
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	09-Aug-18	08-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
		09-Aug-18	08-Aug-18	
Rajkot	Rs. /10 Kg.	810	790	20
New Delhi	Rs. /10 Kg.	780	790	-10
Hyderabad	Rs. /10 Kg.	790	790	Unch
Mumbai	Rs. /10 Kg.	815	810	5

Centre	Unit	Price		Change
		09-Aug-18	08-Aug-18	
Mahesana (Kadi)	Rs./Qtl	1855	1858	-3
Akola	Rs./Qtl	1791	1791	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 09-August-2018		
Index	RMB/Ton	Change
CCIndex(328)	16277	19
CCIndex(527)	15091	9
CCIndex(229)	16965	29
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 09-August-2018		
Index	Cents/lb	Change
FC Index (S)	101.05	-0.75
FC Index (M)	97.62	-0.76
FC Index (L)	95.96	-0.75

Cotlook Index: As on 8-Aug-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	97.85	-0.40

USDA Cotton Spot Rates: As on 8-August-2018			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	86.89	89.14	NIL
North Delta	85.89	87.64	NIL
South Delta	85.89	87.64	NIL
East TX-OK	81.39	83.89	877
West Texas	81.39	83.89	NIL
Desert SW	81.64	85.64	NIL
SJ Valley	82.14	91.04	NIL

Pakistan Cotton Spot rates: As on 8-August-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	9050	160	9210
Equivalent	40 Kgs	9699	171	9870

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