

Domestic Fundamentals:

Market Outlook: Cotton spot market prices traded slightly weak on Monday. Ginning mills are facing tight supplies of raw material, resulting into higher prices. The prices may stay elevated till end of August. 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.

In the News: North Indian cotton market firm by Rs 10/MD from morning quotes Punjab 4790/4815 and Haryana 4770/4880. Karnataka rains now deficit in just 3 percent from normal but cotton belts are adversely affected with range from 20 to 40 deficient.

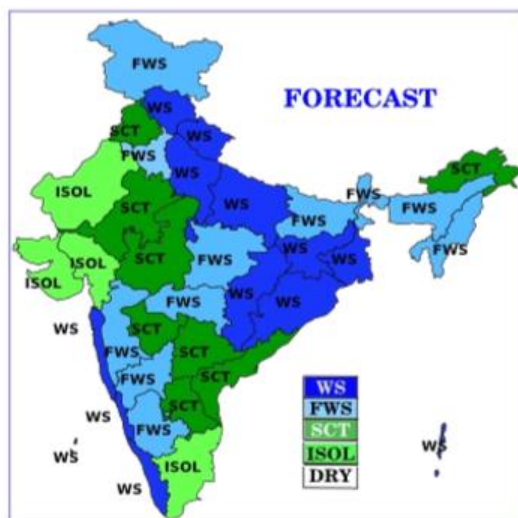
Looking at shortfall in rains in Gujarat, Maharashtra and some southern states, there is scope to believe cotton output should fall at least 5-10%. As per the preliminary estimates by Agriwatch, cotton output in country during the season 2018-19 would be around 353 lakh bales (of 170 kg each) which is lower compared to last year production of 365 lakh bales. For the current cotton year that ends in September, the Cotton Advisory Board has pegged the number at 37.0 mln bales.

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.

Weather Update:



14th Aug: Heavy to very heavy rain at a few places with extremely heavy falls at isolated places very likely over Odisha; heavy rain at a few places with very heavy rain at isolated places very likely over Coastal Karnataka; heavy to very heavy rain at isolated places very likely over Uttarakhand, Konkan & Goa, South Interior Karnataka and Kerala; heavy rain at isolated places very likely over Himachal Pradesh, Haryana, Chandigarh & Delhi, Uttar Pradesh, Chhattisgarh, Bihar, Jharkhand, Gangetic West Bengal, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Madhya Maharashtra, Coastal Andhra Pradesh and Tamilnadu.

The India Meteorological Department (IMD)'s weather models hinted at weak monsoon rain over the central India and the country in general from

August 10 to 16. But the models of the National Centre for Medium Range Weather Forecasting (NCMRWF), under the ministry of earth sciences, are showing active monsoon conditions from August 13. IMD weather models are indicating that most of the central India, including Maharashtra, will see an increase in rainfall activity after August 17. But northeast India, extreme north and south peninsula regions are expected to get below- normal rainfall.

International Fundamentals

This month's 2018/19 U.S. cotton forecast includes higher beginning stocks, production, exports, and ending stocks relative to last month. Production for the 2018 crop is raised 4 percent to 19.2 million bales, on this season's first survey-based production forecast. Beginning stocks are raised 0.4 million bales due to lower-than-expected 2017/18, exports are 0.5 million bales higher, at 15.5 million bales. Ending stocks are 0.6 million bales higher this month. Projected world 2018/19 ending stocks are down 1 percent this month, due to a combination of lower beginning stocks and higher consumption offsetting higher production. Beginning stocks are reduced 0.45 million bales, reflecting both lower production and higher consumption estimates for 2017/18. Production in 2018/19 is increased 0.4 million bales, with higher expected crops in the United States, Argentina, and Turkey offsetting reduced crops in Uzbekistan, Australia, and Turkmenistan. Consumption is raised 660,000 bales, led by a 300,000-bale increase for Pakistan, with smaller increases in Indonesia, Turkey, and other countries.

On August 10, the reserve China sales of reserve cotton was 30013.5961 tons, the actual turnover was 9359.6933 tons, and the turnover rate was 31.18%. The average transaction price was 14888 yuan/ton (down 241 yuan/ton from the previous day), discount 3128 price 16523 yuan/ton (down 147 yuan/ton from the previous day).

ICE cotton futures were little changed on Thursday as the market awaited a monthly crop supply and demand report from the U.S. Department of Agriculture (USDA). The most active cotton contract on ICE Futures U.S., the second-month December contract settled up 0.08 cent, or 0.09 percent, at 87.26 cents per lb. It traded within a range of 86.83 cents and 87.4 cents a lb.

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.

NCDEX Kapas Futures*: (Prices in Rs/20 kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-18(C1)	-1.4	1207	1208.5	1193	1195	2135	-1220	3594	155
Spread	Oct 18(C1)			-	-	-	-	-	-
Spot	103					-	-	-	-
Oct-18						-	-	-	-

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

* Updated at as on 13-Aug- 2018 at 5:00 PM

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-18	-1.12	24040	24100	23900	23910	949	-435	4078	6
Nov-18	-0.97	23550	23600	23470	23470	335	-43	2480	24

Spread	Oct 18		-	-	--	--
Spot	500		-	-	-	-
Oct-18			-	-	-	-

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

* Updated at as on 13-Aug- 2018 at 5:00 PM

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	13-Aug-18	11-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6490	6555	-65
	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	NA	NR	-
	Muktsar	B.T. Cotton	NA	NR	-
Haryana	Bhiwani	B.T. Cotton	5750	5950	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	6000	5950	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	0	-
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	NR	-
	Hathras	Desi	#N/A	NR	-
Telangana	Adilabad	Un-Ginned	4320	4320	Unch
Andhra Pradesh	Guntur	Un-Ginned	NR	NR	-

	Kurnool	Un-Ginned	NR	NR	-
	Krishna	Un-Ginned	NR	NR	-
	East Godavari	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	NR	NR	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	NR	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	13-Aug-18	11-Aug-18	
Punjab	Bhatinda	J-34	4820	4810	10
	Abohar	J-34	4820	4810	10
	Mansa	J-34	4800	4800	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4790	4800	-10
Rajasthan	Sri-Ganganagar	J-34	NR	NR	-

Refined Cottonseeds oil Prics (10 KG)

Centre	Unit	Price		Change
		13-Aug-18	11-Aug-18	
Rajkot	Rs. /10 Kg.	830	810	20
New Delhi	Rs. /10 Kg.	780	780	Unch
Hyderabad	Rs. /10 Kg.	810	790	20
Mumbai	Rs. /10 Kg.	830	815	15

Cotton oil cake prices

Centre	Unit	Price		Change
		13-Aug-18	11-Aug-18	
Mahesana (Kadi)	Rs./Qtl	1924	1867	57
Akola	Rs./Qtl	1833	1793	40

DOMESTIC PRICES AND ARRIVAL

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				11-Aug-18	10-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	45900	46000	-100
Shankar-6(105)	29mm	3.5 – 4.9	28	48200	48100	100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49400	49500	-100

MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	5130	51400	-100
DCH-32(107)	34mm	3.0 - 3.8	33	60600	61400	-800

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 13-August-2018		
Index	RMB/Ton	Change
CCIndex(328)	16292	-1
CCIndex(527)	15107	0
CCIndex(229)	16994	-1
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 13-August-2018		
Index	Cents/lb	Change
FC Index (S)	99.05	-2
FC Index (M)	95.62	-2
FC Index (L)	93.96	-2

Cotlook Index: As on 10-Aug-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	97.2	-0.65

USDA Cotton Spot Rates: As on 10-August-2018			
Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	86.76	89.01	NIL
North Delta	85.76	87.51	NIL
South Delta	85.76	87.51	NIL
East TX-OK	81.26	83.76	NIL
West Texas	81.26	83.76	NIL
Desert SW	81.51	85.51	NIL
SJ Valley	82.01	90.91	NIL

Pakistan Cotton Spot rates: As on 9-August-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8900	160	9060
Equivalent	40 Kgs	9538	171	9709

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