

### Domestic Fundamentals:

**Market Outlook:** Cotton spot market prices traded slightly weak on Tuesday. 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.

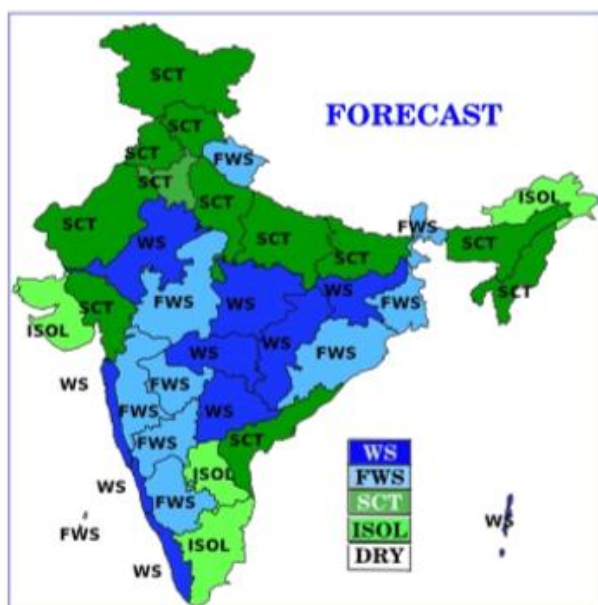
**In the News:** The Cotton Corporation of India will procure the fibre directly from farmers in Rajasthan at the minimum support price (MSP) and make the payment to their accounts in the upcoming cotton season. Rajasthan is the first cotton-growing state in the northern region to make direct transaction compulsory for procurement at MSP. Over 12,000 farmers have been registered in district Shree Ganganagar so far and the process is on in the other cotton-growing districts of Hanumangar and Bhilwara

**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.

### Weather Update:



**16<sup>th</sup> Aug:** Heavy rain at isolated places likely over Rajasthan, Madhya Pradesh, Chhattisgarh, Gangetic West Bengal and Coastal Karnataka.

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.

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

**Prices for the December NY Futures contract were generally contained between 85 and 90 cents/lb between mid-July and early August.** The A Index also moved sideways over the past month, with values ranging between 94 and 100 cents/lb since mid-July. Indian cotton prices, represented by the Shankar-6 quality, increased in slightly international and domestic terms, rising from 88 to 90 cents/lb and 47,000 to 48,000 INR/candy.

**ICE cotton futures slid to their lowest in more than a month on Monday** on concerns about a financial crisis in Turkey, a major importer of the natural fiber from the United States, and on forecasts for higher U.S. cotton output. The most active cotton contract on ICE Futures U.S., the second-month December contract settled down 2.47 cents, or 2.90 percent, at 82.76 cents per lb.

**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.

**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)	-0.71	1195.5	1196	1173	1184	3145	1010	3453	-141
Spread	Oct 18(C1)			-	-	-	-	-	-
Spot	103					-	-	-	-
Oct-18						-	-	-	-

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

\* Updated at as on 14-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	-0.25	23730	23830	23580	23710	1335	386	3892	-186
Nov-18	-0.09	23300	23370	23140	23270	294	-41	2375	-105

Spread	Oct 18		-	-	--	--
Spot	460		-	-	-	-
Oct-18			-	-	-	-

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

\* Updated at as on 14-Aug- 2018 at 5:00 PM

**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Aug-18	13-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6480	6490	-10
	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	5750	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5900	6000	-100
	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	6270	6260	10
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	5950	6300	-350
<b>Commodity</b>	<b>Lint</b>		<b>Prices (Rs./Maund)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>14-Aug-18</b>	<b>13-Aug-18</b>	
Punjab	Bhatinda	J-34	4810	4820	-10
	Abohar	J-34	4800	4820	-20
	Mansa	J-34	4800	4800	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4790	4790	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Aug-18	13-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	250	200	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	200	-100
	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	NA	NA	-

	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	99	87	12
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	15	15	Unch
<b>Commodity</b>	<b>Lint</b>		<b>Arrivals (Quintal)</b>		<b>Change</b>
<b>State</b>	<b>Centre</b>	<b>Variety</b>	<b>14-Aug-18</b>	<b>13-Aug-18</b>	
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	-

### Refined Cottonseeds oil Prics (10 KG)

Centre	Unit	Price		Change
		14-Aug-18	13-Aug-18	
Rajkot	Rs. /10 Kg.	830	830	Unch
New Delhi	Rs. /10 Kg.	780	780	Unch
Hyderabad	Rs. /10 Kg.	810	810	Unch
Mumbai	Rs. /10 Kg.	830	830	Unch

### Cotton oil cake prices

Centre	Unit	Price		Change
		14-Aug-18	13-Aug-18	
Mahesana (Kadi)	Rs./Qtl	1914	1924	-10
Akola	Rs./Qtl	1826	1833	-7

### DOMESTIC PRICES AND ARRIVAL

#### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				14-Aug-18	13-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	46000	46000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46100	46100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	48400	48400	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49400	49400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	51300	51300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	60600	60600	Unch

### INTERNATIONAL PRICES AND INDICES

<b>China Cotton Index: As on 14-August-2018</b>		
<b>Index</b>	<b>RMB/Ton</b>	<b>Change</b>
CCIndex(328)	16291	<b>-1</b>
CCIndex(527)	15107	<b>0</b>
CCIndex(229)	16991	<b>-3</b>
RMB -Renminbi, 1RMB =0.16 \$U.S.		

<b>China Foreign Cotton (FCE) Index : As on 14-August-2018</b>		
<b>Index</b>	<b>Cents/lb</b>	<b>Change</b>
FC Index (S)	96.69	<b>-2.36</b>
FC Index (M)	93.28	<b>-2.34</b>
FC Index (L)	91.46	<b>-2.5</b>

<b>Cotlook Index: As on 10-Aug-2018</b>		
<b>Cotlook Indices</b>	<b>Cents/Pound</b>	<b>Change</b>
<b>A-Index</b>	95.25	<b>-2.05</b>

<b>USDA Cotton Spot Rates: As on 13-August-2018</b>			
<b>Growth Area</b>	<b>Leaf 4 to Staple 34</b>	<b>Leaf 3 to Staple 35</b>	<b>Arrivals</b>
	<b>cents/lb.</b>		<b>Bales</b>
Southeast	82.64	84.89	<b>NIL</b>
North Delta	81.64	83.39	<b>NIL</b>
South Delta	81.64	83.39	<b>NIL</b>
East TX-OK	77.14	79.64	<b>52</b>
West Texas	77.14	79.64	<b>68</b>
Desert SW	77.39	81.39	<b>NIL</b>
SJ Valley	77.89	86.79	<b>NIL</b>

Pakistan Cotton Spot rates: As on 13-August-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8700	160	8860
Equivalent	40 Kgs	9324	171	9495

#### Disclaimer

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