

Domestic Fundamentals:

Market Outlook: Cotton prices are expected to Range-bound. Due to improving acreage and weather conditions in top cotton growing states - Gujarat and Maharashtra and incidence of pest attack and increase in MSP by government may keep the prices supported going ahead.

In the News: As per the latest acreage report by the Ministry of Agriculture, the total planting under cotton reached to 116.85 Lakh hectares as of August 24 - down 2.8% from a year ago. Agriwatch expecting that area may increase up to 119.5 lakh ha by end of this Month. The cotton crop in some areas of Rajasthan and Gujarat is still facing short soil moisture, but the rain during last week was well timed and supportive for the standing crop.

Good demand was witnessed from domestic mills for prompt delivery. Gujarat Cotton prices of 29 mm remained between 48,000 to 48,500 Rs./Candy. Out state arrival was negligible. All India Daily Arrivals remained 2,500 to 4,000 bales. With limited arrivals, most of the ginning factories are closed. Gujarat Daily Pressing was approximately 1,000 to 1,500 bales.

Heavy rainfall has been witnessed in many parts of Telangana during last two weeks. Cotton crop in the states of Adilabad and Warangal is reported to have sustained damages. The two districts accounted for 0.52 lakh hectares of cotton acreage. Only the later sown crop which had newly germinated before the heavy rains has sustained damages and most farmers having lost their cotton crops are expected to go for re-sowing of cotton. Total acreage of cotton in Telangana as of now stands at 17.61 lakh hectares.

The CCI is preparing for harvest and announced that in Rajasthan it will buy seed cotton direct from growers in order to increase grower's net income. Haryana and Punjab indicated they will continue their practice of CCI using middlemen. India announced a doubling of import taxes on 328 textile product following a 16% increase in textile and apparel imports in the fiscal year ending in March. Total imports in the year reached 7 billion USD with 3 billion of that total coming from China. China was the main target of the duty increase; imports from Bangladesh are also up sharply but are exempt from the duties due to the free trade agreement. Vietnam and Cambodia will also be exempt because of free trade agreements

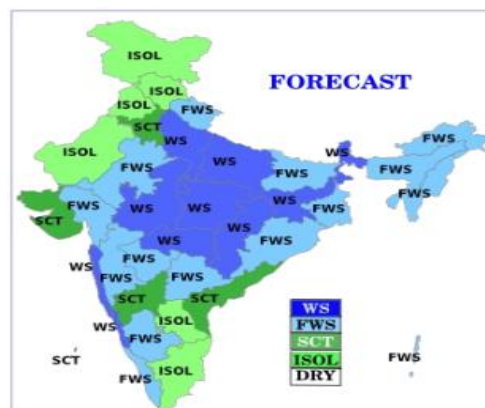
The Cotton Corporation of India will procure the fibre directly from farmers in Rajasthan at the minimum support price (MSP) and make the payment to their accounts in the upcoming cotton season. Rajasthan is the first cotton-growing state in the northern region to make direct transaction compulsory for 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.

Weather Update:

28th Aug Heavy rain at isolated places very likely over Uttarakhand, Haryana, Chandigarh & Delhi, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Chhattisgarh, Vidarbha, Sub Himalayan West Bengal & Sikkim, Nagaland, Manipur, Mizoram & Tripura, Konkan & Goa, Madhya Maharashtra, Telangana and Coastal Karnataka.

As on August 20, the countrywide cumulative rainfall deficiency remains stagnant at -8%. Division wise, South India is the only region that is rain surplus by 13%, whereas East & Northeast India is the highest rain deficient pocket at -28%, followed by Northwest India at -6% and

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)			



Central India at -3%.

Previous Updates:

On August 27, the reserve cotton sold a total of 30006.905 tons of resources, the actual turnover was 29,278.856 tons, and the turnover rate was 97.57%. The average transaction price was 15037 yuan / ton (up 329 yuan / ton from the previous day); discount 3128 price 16601 yuan / ton (up 188 yuan / ton from the previous day).From March 12 to August 27, the cumulative turnover of reserve cotton was 2.031 million tons, with a turnover rate of 57.42%.

The most active cotton contract on ICE Futures U.S., the second-month December contract, settled up 0.14 cent, or 0.17 percent, at 81.63 cents per lb. It traded within a range of 81.38 and 83.18 cents a lb.

MY 2018/19 cotton area forecast to 11.8 million hectares, 100,000 hectares lower than the official USDA estimate. The reduction in area is primarily in the two major cotton growing states of Gujarat and Maharashtra. Deficit rains and pest pressures have prompted farmers to either plant alternate crops, or delay/abandon planting altogether

The ICE Futures finished lower Friday on moderate volume of 15,800 contracts. The session was dominated by traders positioning themselves for next weeks U.S.-China trade talks. If some sort of compromise is reached, it ought to be a boon to the financial and commodities markets. Naturally, the converse would be true as well.

December cotton lost another 2% Wednesday as speculators liquidated their long positions, fearful of trade disruptions with Turkey and China. The economic stakes were raised on Tuesday when the Turkish government called for a boycott of U.S. goods. As of this writing, we have not seen cotton on any list, but it is that uncertainty that has the ICE Futures so nervous.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-18(C1)	-1.61	1150.5	1150.5	1128	1132	1645	-376	3777	18
Spread	Oct 18(C1)				-	-	--	--	--
Spot	114.5					-	-	-	-
Oct-18						-	-	-	-

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

* Updated at as on 27-Aug- 2018

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-18	0.13	23300	23310	23190	23270	635	113	4011	38
Nov-18	-1.12	23280	23290	22980	23010	1010	375	4146	135

Spread	Oct 18		-	-	--	--
Spot	20		-	-	-	-
Oct-18			-	-	-	-

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

* Updated at as on 27-Aug- 2018 at

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	27-Aug-18	25-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	6325	6350	-25
	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	6000	6200	-200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	6000	6050	-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	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	#N/A	-
	Krishna	Un-Ginned	NA	#N/A	-
	East Godavari	Un-Ginned	NA	#N/A	-
Karnataka	Bijapur	Bunny	NA	#N/A	-
	Hubli	D.C.H.	NA	#N/A	-
	Hubli	B.T. Cotton	NA	#N/A	-
	Raichur	H-44 Cotton	NA	#N/A	-
Commodity	Lint		Prices (Rs./Maund)		NA
State	Centre	Variety	NA	25-Aug-18	
Punjab	Bhatinda	J-34	NA	4820	Unch
	Abohar	J-34	NA	4825	-5
	Mansa	J-34	4825	4825	Unch
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4810	4810	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Aug-18	25-Aug-18	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	NA	NA	-
	Rajkot	B.T. Cotton	35	50	-15
	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	300	400	-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	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	27-Aug-18	25-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	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				25-Aug-18	24-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	46100	46100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	4600	46000	-41400
Shankar-6(105)	29mm	3.5 - 4.9	28	47800	47800	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48400	48400	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50500	50500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	59200	59200	Unch

Centre	Unit	Price		Change
		27-Aug-18	25-Aug-18	
Rajkot	Rs. /10 Kg.	800	800	Unch
New Delhi	Rs. /10 Kg.	770	780	-10
Hyderabad	Rs. /10 Kg.	800	800	Unch
Mumbai	Rs. /10 Kg.	815	830	-15

Centre	Unit	Price		Change
		27-Aug-18	25-Aug-18	
Mahesana (Kadi)	Rs./Qtl	1895	1911	-16
Akola	Rs./Qtl	1790	1805	-15

INTERNATIONAL PRICES AND INDICES

China Cotton Index: As on 27-August-2018		
Index	RMB/Ton	Change
CCIndex(328)	16300	0
CCIndex(527)	15125	-5
CCIndex(229)	17003	-2
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 27-August-2018		
Index	Cents/lb	Change
FC Index (S)	95.52	0
FC Index (M)	92.08	0
FC Index (L)	89.96	0

Cotlook Index: As on 24-Aug-2018		
Cotlook Indices	Cents/Pound	Change
A-Index	91.40	-0.75

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	81.31	83.56	0
North Delta	80.31	82.06	0
South Delta	80.31	82.06	0
East TX-OK	76.31	78.81	106
West Texas	75.81	78.31	0
Desert SW	76.06	80.06	0
SJ Valley	76.56	85.46	0

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

Pakistan Cotton Spot rates: As on 25-Aug-2018				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8100	160	8260
Equivalent	40 Kgs	8681	171	8852

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