

Domestic Fundamentals:**Market Outlook:**

Cotton prices are witnessed firm tone on Friday. Cotton spot market prices expected to trade remain sideways to weak tone due to sluggish demand. Arrivals are also up a further expectation to be in slow pace as sellers want better prices. In long run, prices may get support to rise after export demand from China, Bangladesh, Vietnam and opening up of Pakistan market.

In the News: Cotton was sharply lower this week as weak overall demand continues to impact the US market. On the other hand, world production and supplies are going lower due to bad weather in the growing season for major producers around the world, including India, Pakistan, and Australia. China had problems with its growing weather, too. Demand for US Cotton has been disappointing, as the weekly export sales reports have shown average demand at best since the start of the marketing year. China has not bought any US Cotton this year and has been active in other markets, especially India. US prices are down and China might start to look at the US crop.

Average price of Lint at Sirsa during last week was Rs. 4348 per maund (of 37.32 Kg each), which is slightly lower compared to the previous week price of Rs 4420. In the coming week we expect Kapas price to remain to Range bound with the price band of Rs 5300-6000 per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 4200-5000 per maund

From last two weeks whole trade was in tight range and waiting for break out from this range on upper side but no one was expect this type of bleeding fall. This free fall has opened up the door for CCI to procure quantities of cotton at MSP

In Rajkot, cotton prices are trading near Rs 5600/ quintal compared to Rs 5750/ quintal in previous week during same time. Last year prices were trading near Rs 5180/ quintal during same time. Arrivals are currently reported at around, 7000 bales per day. The Cotton Corporation of India estimates total arrivals to be approximately 5.3 million bales.

In Punjab cotton crop has recorded the highest yield of 780 kg lint per hectare this season as compared to yield of 750 kg per lint per hectare last year, on account of supply of good quality inputs and farmer awareness programmes launched by the agriculture department. With total area of 2.84 lakh hectares under the fibre, the state is estimating an output of 13.03 lakh bales

Cotton exports from the country increase by over 240% in October as compared to last year exports. This is first month of cotton season 2018/19. According to data published by Commerce Ministry, country exported about 2.29 lakh bales in Oct 2018/ compared to only 67,155 bales last year same month. Bangladesh is the largest buyer with 1.26 lakh bales. Pakistan bought 39,000 bales while china imports about 26,000 bales from India in October. In October, India also imported about 87,300 bales up marginally from last year imports of 85,600 bales in October. Country, imported cotton mainly from USA (25,150 bales), Tanzania(22,441 bales) and Australia (11,785 bales).

Weather Forecast for tomorrow:

During the next 24 hours, isolated light rains are possible over South Chhattisgarh, Andhra Pradesh, Coastal Karnataka and Kerala. Light to moderate rains are expected to continue over Lakshadweep. Cold wave conditions are expected to continue over parts of Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Uttar Pradesh, Delhi, Rajasthan and parts of Madhya Pradesh, Chhattisgarh, Gujarat and North Maharashtra. Pollution levels will remain high over Delhi-NCR region. Moderate to dense fog is expected over Northwest Uttar Pradesh, Punjab and Haryana

International Fundamentals:

This week was bleeding week for cotton. NY future has lost as far 642 point or nearly 9% during this week. NY future has lost series of all technical supports area. Indian MCX December future also follows NY during this week and lost 1120 rupee per bale or 2340 per candy. Export sales were good but not able to give support against outside forces. Crude, currency, controversy between two giant economy and cutting of spec BULL was story of full week. These multiple "C" was the reason to crush cotton commodity.

According to the USDA, Agricultural Marketing Service's Cotton and Tobacco Program. Quotations for the base quality of cotton (color 41, leaf 4, staple 34, mike 35-36 and 43-49, strength 27.0-28.9, and uniformity 81.0-81.9) in the seven designated markets averaged 73.12 cents per pound for the week ending Thursday, December 20, 2018. The weekly average was down from 75.37 last week and down from 73.81 cents reported the corresponding period a year ago. Daily average quotations ranged from a high of 75.17 cents Friday, December 14 to a season low of 70.63 cents Thursday, December 20.

The Department of Agriculture's Commodity Credit Corporation announced a special import quota for upland cotton that permits importation of a quantity of upland cotton equal to one week's domestic mill use. The quota will be established on December 27, 2018, allowing importation of 12,334,220 kilograms (56,650 bales) of upland cotton. Quota number 9 will be established as of December 27, 2018, and will apply to upland cotton purchased not later than March 26, 2019, and entered into the U.S. not later than June 24, 2019. The quota is equivalent to one week's consumption of cotton by domestic mills at the seasonally-adjusted average rate for the period July 2018 through September 2018, the most recent three months for which data are available. Future quotas, in addition to the quantity announced, will be established if price conditions warrant.

This month's 2018/19 U.S. cotton forecasts include slightly higher production and ending stocks. Production is raised 180,000 bales due mainly to a 300,000-bale increase in Texas. Domestic mill use and exports are unchanged. Ending stocks, forecast at 4.4 million bales in 2018/19, are 100,000 bales above both last month and the 2017/18 estimate. The forecast range for the marketing year average price received by producers is unchanged from November, 71 to 77 cents per pound, with a midpoint of 74 cents.

The global 2018/19 forecasts compared with last month include lower production, lower consumption, higher trade, and slightly higher ending stocks. Global production is 645,000 bales lower with smaller crops in Pakistan, China, India, Turkmenistan, and Turkey. These changes more than offset a 1.0-million-bale increase in Brazil and smaller increases in the United States and Cote d'Ivoire. Global consumption is 1.3 million bales lower largely due to a 1.0-million-bale decline for China, but consumption is also lower in Pakistan, Turkey, and Uzbekistan. Global trade is 600,000 bales higher, with imports up in Pakistan, India, and Malaysia, while exports are higher from Brazil, Argentina, Cote d'Ivoire, India and Uzbekistan. Projected 2018/19 global ending stocks are nearly 600,000 bales higher this month, but at 73.2 million bales are down 7.3 million bales from the year before.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Dec-18	0.19	20640	20710	20560	20650	521	-149	968	-66
Jan-19	0.14	20920	21040	20880	20980	20980	19003	7912	295
Spread	Dec-18			-	-	--	--		
Spot	-330				-	-	-		
Jan-19					-	-	-		

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

* Updated at as on 28-Dec- 2018 @5.00 PM

Cotton Prices at Key Spot Markets:Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	28-Dec-18	27-Dec-18	
Gujarat	Ahmedabad	Shankar-6	5600	5600	Unch
	Gondal	Shankar-6	5550	5530	20
	Rajkot	B.T. Cotton	5575	5575	Unch
	Patan	B.T. Cotton	5565	5555	10
	Kadi	B.T. Cotton	5700	5550	150
	Deesa	B.T. Cotton	5240	5250	-10
	Dhrol	B.T. Cotton	5210	5225	-15
Haryana	Bhiwani	B.T. Cotton	5625	5550	75
	Bhiwani	Desi	5700	5700	Unch
	Adampur	B.T. Cotton	5480	5450	30
	Fatehabad	B.T. Cotton	5480	5450	30
	Jind	B.T. Cotton	5650	5600	50
	Uchana	B.T. Cotton	5395	5340	55
	Dabwali	B.T. Cotton	5400	5360	40
Rajasthan	Hanumangarh	B.T. Cotton	5425	5380	45
	Rawatsar	B.T. Cotton	5450	5350	100
Madhya Pradesh	Khandwa	Mech-1	5550	5560	-10
	Khargaon	Mech-1	5504	5505	-1
Maharashtra	Amravati	Mech-1	5525	5500	25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5900	6200	-300
	Hathras	Desi	4900	5100	-200
Telangana	Adilabad	Un-Ginned	5280	NR	-
Karnataka	Bijapur	Bunny	NR	5785	-
	Hubli	D.C.H.	NR	5800	-
	Hubli	B.T. Cotton	NR	6009	-
	Raichur	H-44 Cotton	5500	5500	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	28-Dec-18	27-Dec-18	
Punjab	Bhatinda	J-34	4400	4410	-10
	Abohar	J-34	4430	4440	-10
	Mansa	J-34	4390	4310	80
Haryana	Sirsa	J-34	4400	4380	20
Rajasthan	Sri-Ganganagar	J-34	4136	4136	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	28-Dec-18	27-Dec-18	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	3164	3493	-329
	Rajkot	B.T. Cotton	4800	6000	-1200
	Patan	B.T. Cotton	5535	5165	370
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	30	30	Unch
	Dhrol	B.T. Cotton	538	508	30
Haryana	Bhiwani	B.T. Cotton	2500	1000	1500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	850	680	170
	Fatehabad	B.T. Cotton	500	300	200
	Jind	B.T. Cotton	750	950	-201
	Uchana	B.T. Cotton	2910	2900	10
	Dabwali	B.T. Cotton	400	550	-150
Rajasthan	Hanumangarh	B.T. Cotton	2700	2500	200
	Rawatsar	B.T. Cotton	4000	3000	1000
Madhya Pradesh	Khandwa	Mech-1	3120	1665	1455
	Khargaon	Mech-1	6010	6530	-520
Maharashtra	Amravati	Mech-1	14000	13000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	30	30	Unch
	Hathras	Desi	12	30	-18
Telangana	Adilabad	Un-Ginned	19134	NR	-
Karnataka	Bijapur	Bunny	NR	2228	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	442	502	-60
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	28-Dec-18	27-Dec-18	
Punjab	Bhatinda	J-34	5100	5950	-850
	Abohar	J-34	680	1020	-340
	Mansa	J-34	510	425	85
Haryana	Sirsa	J-34	1020	1020	Unch
Rajasthan	Sri-Ganganagar	J-34	2000	3500	-1500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	28-Dec-18	27-Dec-18	
Gujarat	Rajkot	Rs. /10 Kg.	690	690	Unch
Delhi	New Delhi	Rs. /10 Kg.	670	670	Unch
Telangana	Hyderabad	Rs. /10 Kg.	695	695	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	702	702	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	28-Dec-18	27-Dec-18	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1876	1876	Unch
Maharashtra	Akola	Rs./Qtl	1856	1888	-32

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				27-Dec-18	26-Dec-18	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39900	39900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40400	40400	Unch
J-34(202)	26mm	3.5 - 4.9	23	41400	41400	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41800	41800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	43300	43300	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44500	44500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45400	45400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	56700	57200	-500

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	28-Dec-18	27-Dec-18	Change
CCIndex(328)	RMB/Ton	15383	15386	-3
CCIndex(527)	RMB/Ton	14411	14417	-6
CCIndex(229)	RMB/Ton	15863	15868	-5
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	28-Dec-18	27-Dec-18	Change
FC Index (S)	Cents/lb	84.79	86.1	-1.31
FC Index (M)	Cents/lb	81.21	82.43	-1.22
FC Index (L)	Cents/lb	78.02	79.52	-1.50

Cotlook Index:

Cotlook Indices	Unit	27-Dec-18	26-Dec-18	Change
A-Index	Cents/Pound	81.95	#N/A	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		27-Dec-18	26-Dec-18	Bales
Southeast	cents/lb.	70.06	73.75	0
North Delta	cents/lb.	69.31	72.5	0
South Delta	cents/lb.	69.31	72.5	0
East TX-OK	cents/lb.	66.31	70.25	609
West Texas	cents/lb.	66.31	70.5	54
Desert SW	cents/lb.	65.81	71.5	0
SJ Valley	cents/lb.	66.31	76.65	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

ICE Cotton Futures (Prices in cents/lb.): As on 27-Dec-2018

Daily Futures Price Listing Thu December 27, 2018									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-19	181227	73.8	74.18	71.87	72.06	-1.44	13,412	1,24,594	883
May-19	181227	74.94	75.4	73.14	73.32	-1.41	5,720	37,074	-176
Jul-19	181227	75.99	76.38	74.09	74.28	-1.5	2,271	17,433	-137
Oct-19	181227	73.08	73.08	73.08	73.08	-1.16	1	8	0
Dec-19	181227	73.79	73.95	72.77	73.05	-0.75	585	30,584	-25
Mar-20	181227	74.5	74.5	73.98	73.98	-0.7	14	1,060	5
Total Volume and Open Interest							22,012	2,12,048	552



Pakistan Cotton Spot rates: As on 27-Dec-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

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