

Domestic Fundamentals:

Market Outlook:

Domestic prices traded firm during this week, mainly due to lower daily arrivals and good demand for Indian cotton from China..The price in Indian market is higher than that internationally. This is backed by higher MSP and purchases by CCI. The market may move up only through larger offtake by exporters or by domestic industry. This may occur gradually over the next few months

News: *UK-based Cotton Outlook has pegged India's 2019-20 (Aug-Jul) cotton production at 6.13 mln tn, up 3% on year, the agency said in its monthly report. India's 2018-19 production estimate has been revised to 5.95 mln tn. Gujarat and Maharashtra are India's top cotton producers, accounting for 55% of the total output*

Indian cotton exporters are upbeat due to a spurt in demand for cotton from China, especially at a time when cotton exports to Pakistan have come to a halt due to the tensions between the two neighbours. According to trade estimates, Indian traders have contracted for export 5 lakh bales to China for shipments in the next two months.

All India cotton arrivals registered around 155,000-170,000 bales (each bale 170 kg) lint equivalent on an average per day basis. Lint prices for Gujarat Shankar 6 cotton are quoted around INR 41'700 per candy.

Pulwama attack retaliation: India halts cotton exports to Pakistan amid tensions. *The unease between India and Pakistan, exporters see a temporary slump in flow of consignments for a few days. Cotton exports to China from India, are on the upswing. About 4 lakh bales have already been shipped to China in the last 10 days and another 10 lakh bales are expected to be shipped from the country soon, traders said.*

According to Cotton Association, that some of 8 lakh bales had been contracted by Pakistan and nearly 6.5 lakh bales have already been shipped which means barely 75,000 bales are remaining. *Pakistan is expected to import around 10 lakh bales of cotton from India in the current financial year. Some exporters believe that the cotton export to Pakistan will continue even in the event of increase in duty as the consignments would be routed via ports in Dubai and Singapore. So far, some 32 lakh bales have been shipped out of the country and the total exports are expected to touch 50-55 lakh bales.*

Till date, the total cotton stock in the country is 80 lakh bales, of which 44 lakh bales is with spinning mills, 36 lakh bales with ginners and the remaining with CCI. *CAI, in its January 2019 estimate of the cotton crop for the season 2018-19 beginning from October 1, 2018, has estimated cotton crop for 2018-19 season at 330 lakh bales of 170 kg each which is lower by 5 lakh bales than its previous estimate of 335 lakh bales made last month.*

Indian arrivals are slow. CCI was procuring big quantities from Telangana and Maharashtra at MSP. *Total CCI procurement Crossed 8.5 lakh bales, overall supply is limited so there is no big pressure. CCI expects procurement to reach 1.50 million bales by the end of the current season.*

Weather Forecast for tomorrow:

Scattered light to moderate rains will continue over Northeast India, Gangetic West Bengal, Coastal Odisha. Light rains are expected over Jammu and Kashmir, Himachal Pradesh and few places of Uttarakhand and Coastal Andhra Pradesh. Heat wave conditions will develop in parts of Rayalaseema and interior Tamil Nadu with maximums touching almost 40-degree mark.

International Fundamentals:

The market traded firmer this week mainly on reports that the United States and China are close to signing a trade deal which would possibly end a tit-for-that tariff row that has roiled markets. Optimism appears high that an agreement would be finalized still this month.

Net US UPLAND sales of 85,500 RB for 2018-2019 were reported for Indonesia (29,600 RB, including 500 RB switched from Japan), Vietnam (27,800 RB, including 16,700 RB switched from China, 1,100 RB switched from South Korea, and decreases of 24,000 RB), Turkey (27,400 RB), Bangladesh (21,500 RB), and Pakistan (7,900 RB, including decreases of 5,000 RB). Reductions were reported for China (65,600 RB) and Malaysia (500 RB). For 2019-2020, net UPLAND sales of 12,100 RB reported for China (11,000 RB), Mexico (2,700 RB), and Indonesia (900 RB), were partially offset by reductions for Indonesia (2,600 RB). UPLAND Exports of 3,45,700 RB were primarily to Vietnam (92,600 RB), Pakistan (70,100 RB), India (36,200 RB), Indonesia (23,500 RB), and Bangladesh (23,400 RB).

During the last week overall trading in Pakistan cotton market the prices of cotton shows down word trend, the prices of cotton decreased by Rs 100 to Rs 150 per maund. The trading volume increased due to the tension on India Pakistan border. The Indian government has imposed 200% duty on the import of Pakistani products. There are rumors that Pakistan may impose duty on the import of Indian products. There are rumors circulating regarding the imposition of duty on many products but at this point of time cotton is not included in the list.

The cotton production in Pakistan up to Feb 15 stood short by 6.83 per cent at 10.7 million bales over the corresponding period last year. This is the seventh consecutive year the country is faced with a short crop of around 4.8m bales from a record production of around 15m bales achieved in 2011-12. According to trade sources, in order to meet the shortfall, textile spinners are likely to import up to 3.5m to 4m bales, burdening foreign exchange reserves by around \$1 to \$1.2 billion. Cotton export is unaffected so far and we don't expect Pakistan to pose hurdles as their cotton industry requires raw material from India. India is the most accessible and price-lucrative market for them, Atul Ganatra, president of the Cotton Association of India.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-19	-0.24	20810	20850	20750	20760	1549	-43	12779	-312
Apr-19	-0.24	21100	21150	21040	21050	820	-164	4081	259
Spread	Mar-19			-	-	--	--		
Spot	-300				-	-	-		
Apr-19					-	-	-		

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

* Updated at as on 08-Mar- 2019@5pm

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	08-Mar-19	07-Mar-19	
Gujarat	Ahmedabad	Shankar-6	5625	5625	Unch
	Gondal	Shankar-6	5520	5550	-30
	Rajkot	B.T. Cotton	5625	5625	Unch
	Patan	B.T. Cotton	5585	5590	-5
	Kadi	B.T. Cotton	5600	5700	-100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5305	5235	70
Haryana	Bhiwani	B.T. Cotton	5700	5700	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5480	5525	-45
	Fatehabad	B.T. Cotton	5460	5550	-90
	Jind	B.T. Cotton	5725	5750	-25
	Uchana	B.T. Cotton	5535	5535	Unch
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	Closed	Closed	-
Madhya Pradesh	Khandwa	Mech-1	5600	5550	50
	Khargaon	Mech-1	5470	5470	Unch
Maharashtra	Amravati	Mech-1	5450	5475	-25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	NA	5699	-
	Hubli	D.C.H.	NA	4689	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5550	5500	50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	08-Mar-19	07-Mar-19	
Punjab	Bhatinda	J-34	4455	4470	-15
	Abohar	J-34	4455	4475	-20
	Mansa	J-34	4425	4440	-15
Haryana	Sirsa	J-34	4370	4390	-20
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	08-Mar-19	07-Mar-19	
Gujarat	Ahmedabad	Shankar-6	47600	51000	-3400
	Gondal	Shankar-6	509	660	-151
	Rajkot	B.T. Cotton	2300	2020	280
	Patan	B.T. Cotton	2625	2095	530
	Kadi	B.T. Cotton	30000	20000	10000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	91	67	24
Haryana	Bhiwani	B.T. Cotton	1500	1500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	425	340	85
	Fatehabad	B.T. Cotton	200	250	-50
	Jind	B.T. Cotton	1020	850	170
	Uchana	B.T. Cotton	3695	4495	-800
	Dabwali	B.T. Cotton	NR	NR	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	Closed	Closed	-
Madhya Pradesh	Khandwa	Mech-1	848	1630	-782
	Khargaon	Mech-1	2010	1660	350
Maharashtra	Amravati	Mech-1	13000	15000	-2000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	NA	691	-
	Hubli	D.C.H.	NA	37	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	427	352	75
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	08-Mar-19	07-Mar-19	
Punjab	Bhatinda	J-34	2550	4250	-1700
	Abohar	J-34	340	680	-340
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	850	1700	-850
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	08-Mar-19	07-Mar-19	
Gujarat	Rajkot	Rs. /10 Kg.	725	725	Unch
Delhi	New Delhi	Rs. /10 Kg.	722	727	-5
Telangana	Hyderabad	Rs. /10 Kg.	700	700	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	740	743	-3

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	08-Mar-19	07-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	1980	1985	-5
Maharashtra	Akola	Rs./Qtl	1992	1998	-6

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				07-Mar-19	05-Mar-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39500	40400	-900
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40000	40900	-900
J-34(202)	26mm	3.5 - 4.9	23	41800	41200	600
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	40800	40600	200
Shankar-6(105)	29mm	3.5 - 4.9	28	42400	42200	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	43700	43300	400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	44500	44500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	52600	50000	2600

INTERNATIONAL PRICES AND INDICES**China Cotton Index:**

Index	Unit	08-Mar-19	07-Mar-19	Change
CCIndex(328)	RMB/Ton	15548	15543	5
CCIndex(527)	RMB/Ton	14566	14563	3
CCIndex(229)	RMB/Ton	16011	16005	6

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

Index	Unit	08-Mar-19	07-Mar-19	Change
FC Index (S)	Cents/lb	86.85	87.67	-0.82
FC Index (M)	Cents/lb	83.33	84.06	-0.73
FC Index (L)	Cents/lb	80.78	81.43	-0.65

Cotlook Index:

Cotlook Indices	Unit	07-Mar-19	06-Mar-19	Change
A-Index	Cents/Pound	82.25	82.65	-0.40

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		07-Mar-19	06-Mar-19	Bales
Southeast	cents/lb.	69.86	73.21	1078
North Delta	cents/lb.	68.61	71.46	0
South Delta	cents/lb.	68.61	71.46	0
East TX-OK	cents/lb.	66.61	70.21	11569
West Texas	cents/lb.	66.61	70.46	26833
Desert SW	cents/lb.	65.86	70.96	0
SJ Valley	cents/lb.	66.36	76.36	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

Daily Futures Price Listing Thu March 07, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
Mar-19	190307	72.13	72.13	71.9	71.9	-1.15	4	42	-4
May-19	190307	74.35	74.63	73.05	73.11	-1.1	16,861	1,20,881	-703
Jul-19	190307	75.44	75.69	74.21	74.3	-0.92	8,273	44,473	-199
Oct-19	190307	73.75	73.75	73.75	73.75	-0.37	2	9	-2
Dec-19	190307	73.67	73.96	73.1	73.38	-0.18	5,238	48,143	-64
Mar-20	190307	74.74	74.74	74.08	74.37	-0.07	370	7,901	-142
Total Volume and Open Interest							30,794	2,23,290	-1,095

Pakistan Cotton Spot rates: As on 08-Mar-2019**(in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8600	160	8760
Equivalent	40 Kgs	9217	171	9388

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