

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: Domestic prices traded firm during this week, mainly due to lower daily arrivals and good demand for Indian cotton from China. All India cotton supplies are reported to be about 135 thousand bale per day. According to trade estimates, Indian traders have contracted for export 5 lakh bales to China for shipments in the next two months.

CAI had estimated exports for the 2018-19 season to decline by 27 per cent to 50 lakh bales, compared with the estimated exports of 69 lakh bales during last year. India's total cotton exports shipment is around 32 lakh bales up to February 2019. If this rate continues for another 45 days, we will achieve our export target of 50-53 lakh bales.

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 ginneries 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.

Weather Forecast for tomorrow:

No Weather warning

International Fundamentals:

ICE cotton futures settled higher on Friday, after a monthly supply and demand report by the U.S. government unexpectedly showed U.S. cotton production and end stocks were unchanged, despite higher global production and lower consumption. The contract for May slightly pared gains after the release of the monthly WASDE data, before settling up 0.33 cent, or 0.4 percent, at 74.63 cents per lb.

The U.S. 2018/19 cotton supply and demand estimates are unchanged from last month. The projected range for the marketing year average price received by producers of 69.0 to 71.0 cents per pound is reduced 2 cents, as the reported average price for January fell below previous expectations.

This month's 2018/19 world cotton estimates show higher production and ending stocks, and slightly lower trade. Production is estimated up 350,000 bales in Brazil on higher area and 200,000 bales up in Pakistan based on arrivals at gins. Production is 100,000 bales lower in Australia due to weather. World trade is forecast 140,000 bales lower with reductions for Brazil and Indonesia on the export and import sides based on activity to date. Ending stocks for 2018/19 are forecast 590,000 bales higher this month, at 76.1 million bales. This would be 5.1 million bales below their revised 2017/18 level.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Mar-19	1.11	20710	20990	20710	20940	4499	2950	11652	-1127
Apr-19	1.1	21040	21280	21010	21230	2573	1753	5216	1135

Spread	Mar-19		-	-	--	--
Spot	-290		-	-	-	-
Apr-19			-	-	-	-

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

* Updated at as on 11-Mar- 2019

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	11-Mar-19	09-Mar-19	
Gujarat	Ahmedabad	Shankar-6	5700	5625	75
	Gondal	Shankar-6	5545	5530	15
	Rajkot	B.T. Cotton	5695	5620	75
	Patan	B.T. Cotton	5650	5595	55
	Kadi	B.T. Cotton	5750	5600	150
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5250	5200	50
Haryana	Bhiwani	B.T. Cotton	5750	5700	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5590	5470	120
	Fatehabad	B.T. Cotton	5550	5500	50
	Jind	B.T. Cotton	5740	5700	40
	Uchana	B.T. Cotton	5525	5525	Unch
	Dabwali	B.T. Cotton	5455	5365	90
Rajasthan	Hanumangarh	B.T. Cotton	5625	Closed	-
	Rawatsar	B.T. Cotton	5500	Closed	-
Madhya Pradesh	Khandwa	Mech-1	5650	5600	50
	Khargaon	Mech-1	5475	5380	95
Maharashtra	Amravati	Mech-1	5475	5450	25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	5400	-
Karnataka	Bijapur	Bunny	5879	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5575	5600	-25
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	11-Mar-19	09-Mar-19	
Punjab	Bhatinda	J-34	4460	4450	10
	Abohar	J-34	4470	4450	20
	Mansa	J-34	4440	4425	15
Haryana	Sirsa	J-34	4380	4360	20
Rajasthan	Sri-Ganganagar	J-34	NR	Closed	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	11-Mar-19	09-Mar-19	
Gujarat	Ahmedabad	Shankar-6	47600	45900	1700
	Gondal	Shankar-6	1006	432	574
	Rajkot	B.T. Cotton	2300	2375	-75
	Patan	B.T. Cotton	2540	1743	797
	Kadi	B.T. Cotton	30000	25000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	60	91	-31
Haryana	Bhiwani	B.T. Cotton	1000	1000	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	510	510	Unch
	Fatehabad	B.T. Cotton	40	100	-60
	Jind	B.T. Cotton	765	1020	-255
	Uchana	B.T. Cotton	2820	2820	Unch
	Dabwali	B.T. Cotton	60	30	30
Rajasthan	Hanumangarh	B.T. Cotton	NA	Closed	-
	Rawatsar	B.T. Cotton	200	Closed	-
Madhya Pradesh	Khandwa	Mech-1	900	850	50
	Khargaon	Mech-1	950	1560	-610
Maharashtra	Amravati	Mech-1	13000	13000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	47000	-
Karnataka	Bijapur	Bunny	1242	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	517	360	157
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	11-Mar-19	09-Mar-19	
Punjab	Bhatinda	J-34	2550	2550	Unch
	Abohar	J-34	425	510	-85
	Mansa	J-34	170	255	-85
Haryana	Sirsa	J-34	170	680	-510
Rajasthan	Sri-Ganganagar	J-34	NR	Closed	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	11-Mar-19	09-Mar-19	
Gujarat	Rajkot	Rs. /10 Kg.	725	725	Unch
Delhi	New Delhi	Rs. /10 Kg.	720	722	-2
Telangana	Hyderabad	Rs. /10 Kg.	700	700	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	738	740	-2

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	11-Mar-19	09-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2089	1980	109
Maharashtra	Akola	Rs./Qtl	2063	1998	65

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				09-Mar-19	08-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	44700	44500	200
DCH-32(107)	34mm	3.0 - 3.8	33	52800	50000	2800

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

Index	Unit	11-Mar-19	09-Mar-19	Change
CCIndex(328)	RMB/Ton	15555	Closed	-
CCIndex(527)	RMB/Ton	14569	Closed	-
CCIndex(229)	RMB/Ton	16015	Closed	-

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

China Foreign Cotton (FCE) Index :

Index	Unit	11-Mar-19	09-Mar-19	Change
FC Index (S)	Cents/lb	87.19	Closed	-
FC Index (M)	Cents/lb	83.67	Closed	-
FC Index (L)	Cents/lb	81.05	Closed	-



Cotlook Index:

Cotlook Indices	Unit	09-Mar-19	08-Mar-19	Change
A-Index	Cents/Pound	Closed	81.25	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		09-Mar-19	07-Mar-19	Bales
Southeast	cents/lb.	Closed	72.11	0
North Delta	cents/lb.	Closed	70.36	0
South Delta	cents/lb.	Closed	70.36	0
East TX-OK	cents/lb.	Closed	69.11	5542
West Texas	cents/lb.	Closed	69.36	5348
Desert SW	cents/lb.	Closed	69.86	0
SJ Valley	cents/lb.	Closed	75.26	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 Fri March 08, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
May-19	190308	73.14	73.77	72.51	73.49	0.38	16,693	1,18,667	-2,214
Jul-19	190308	74.31	74.9	73.72	74.63	0.33	9,329	43,258	-1,215
Oct-19	190308	73.99	73.99	73.99	73.99	0.24	0	9	0
Dec-19	190308	73.45	73.59	72.77	73.5	0.12	3,391	48,723	580
Mar-20	190308	74	74.4	73.8	74.4	0.03	410	7,804	-97
May-20	190308	74.2	74.82	74.2	74.82	0.05	3	433	-1
Total Volume and Open Interest							29,826	2,20,339	-2,951

Pakistan Cotton Spot rates: As on 09-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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