

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: CCI is going to commence the sale of 1.1 million bales cotton procured in the 2018-2019 (October-September) and we expect another 4-5 lakh bales would be procured in the coming weeks. Cotton procured sale may probably start from first week of the April. The government had raised the support price for cotton by 26% this year. Prices have improved 2-4% from the recent lows and currently hovering around 20,800 rupees per bale. Prices may rise even more as China started buying Indian cotton from last month.

Shankar-6 (29mm cotton) variety is now trading around 42,000/candy and may rise at least 10% to 46,000/candy in the coming days, due to expecting the low arrivals in coming days and also good demand witnessed from china after this pulwama tensions.

Government set the maximum sale price for BT Cotton at Rs. 730 per packet for bollgard BG- II version reduced by Rs.10 in the earlier year and also cuts the trait value (royalty) on BT Cotton by half to Rs. 20 for 2019-2020 fiscal year.

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 ginner 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:

Thunderstorm accompanied with lightning, hailstorm and gusty winds starting from tomorrow for 3-4 days over Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Punjab. Thunderstorms are expected over Haryana, Chandigarh & Delhi, north Rajasthan, north Madhya Pradesh and Chhattisgarh. Maximum temperatures are very likely to remain above normal by 2-4°C over north Kerala, Karnataka, Rayalaseema and Telangana and by 2-3°C over interior Maharashtra during the same period.

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	-0.48	20890	20910	20790	20840	2387	-2112	10682	-970
Apr-19	-0.42	21170	21190	21030	21140	1348	-1225	5918	702

Spread	Mar-19		-	-	--	--
Spot	-280		-	-	-	-
Apr-19			-	-	-	-

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

* Updated at as on 12-Mar- 2019@5pm

DOMESTIC PRICES AND ARRIVAL**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	12-Mar-19	11-Mar-19	
Gujarat	Ahmedabad	Shankar-6	5700	5700	Unch
	Gondal	Shankar-6	5565	5545	20
	Rajkot	B.T. Cotton	5730	5695	35
	Patan	B.T. Cotton	NR	5650	-
	Kadi	B.T. Cotton	5750	5750	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5385	5250	135
Haryana	Bhiwani	B.T. Cotton	5770	5750	20
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5625	5590	35
	Fatehabad	B.T. Cotton	5625	5550	75
	Jind	B.T. Cotton	5720	5740	-20
	Uchana	B.T. Cotton	5500	5525	-25
	Dabwali	B.T. Cotton	5500	5455	45
Rajasthan	Hanumangarh	B.T. Cotton	5650	5625	25
	Rawatsar	B.T. Cotton	5570	5500	70
Madhya Pradesh	Khandwa	Mech-1	5700	5650	50
	Khargaon	Mech-1	5655	5475	180
Maharashtra	Amravati	Mech-1	5500	5475	25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	5500	NR	-
Karnataka	Bijapur	Bunny	5931	5879	52
	Hubli	D.C.H.	5400	5141	259
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5650	5575	75
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	12-Mar-19	11-Mar-19	
Punjab	Bhatinda	J-34	4470	4460	10
	Abohar	J-34	4490	4470	20
	Mansa	J-34	4450	4440	10
Haryana	Sirsa	J-34	4400	4380	20
Rajasthan	Sri-Ganganagar	J-34	4136	NR	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	12-Mar-19	11-Mar-19	
Gujarat	Ahmedabad	Shankar-6	47600	47600	Unch
	Gondal	Shankar-6	568	1006	-438
	Rajkot	B.T. Cotton	2410	2300	110
	Patan	B.T. Cotton	NR	2540	-
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	124	60	64
Haryana	Bhiwani	B.T. Cotton	1200	1000	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	425	510	-85
	Fatehabad	B.T. Cotton	150	40	110
	Jind	B.T. Cotton	751	765	-14
	Uchana	B.T. Cotton	3650	2820	830
	Dabwali	B.T. Cotton	60	60	Unch
Rajasthan	Hanumangarh	B.T. Cotton	700	NA	-
	Rawatsar	B.T. Cotton	700	200	500
Madhya Pradesh	Khandwa	Mech-1	816	900	-84
	Khargaon	Mech-1	1590	950	640
Maharashtra	Amravati	Mech-1	16000	13000	3000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	45400	NR	-

Karnataka	Bijapur	Bunny	1074	1242	-168
	Hubli	D.C.H.	10	242	-232
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	495	517	-22
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	12-Mar-19	11-Mar-19	
Punjab	Bhatinda	J-34	2550	2550	Unch
	Abohar	J-34	510	425	85
	Mansa	J-34	255	170	85
Haryana	Sirsa	J-34	1020	170	850
Rajasthan	Sri-Ganganagar	J-34	1000	NR	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	12-Mar-19	11-Mar-19	
Gujarat	Rajkot	Rs. /10 Kg.	725	725	Unch
Delhi	New Delhi	Rs. /10 Kg.	720	720	Unch
Telangana	Hyderabad	Rs. /10 Kg.	690	700	-10
Maharashtra	Mumbai	Rs. /10 Kg.	735	738	-3

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	12-Mar-19	11-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2112	2089	23
Maharashtra	Akola	Rs./Qtl	2098	2063	35

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				11-Mar-19	09-Mar-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39700	40400	-700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40200	40900	-700
J-34(202)	26mm	3.5 - 4.9	23	42000	41200	800
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41000	40600	400
Shankar-6(105)	29mm	3.5 - 4.9	28	42500	42200	300
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 INDICESChina Cotton Index:

Index	Unit	12-Mar-19	11-Mar-19	Change
CCIndex(328)	RMB/Ton	15555	15555	Unch
CCIndex(527)	RMB/Ton	14573	14569	4
CCIndex(229)	RMB/Ton	16012	16015	-3
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	12-Mar-19	11-Mar-19	Change
FC Index (S)	Cents/lb	87.06	87.19	-0.13
FC Index (M)	Cents/lb	83.54	83.67	-0.13
FC Index (L)	Cents/lb	80.89	81.05	-0.16

Cotlook Index:

Cotlook Indices	Unit	11-Mar-19	09-Mar-19	Change
A-Index	Cents/Pound	81.75	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		11-Mar-19	09-Mar-19	Bales
Southeast	cents/lb.	69.95	Closed	Closed
North Delta	cents/lb.	68.7	Closed	Closed
South Delta	cents/lb.	68.7	Closed	Closed
East TX-OK	cents/lb.	66.7	Closed	Closed
West Texas	cents/lb.	66.7	Closed	Closed
Desert SW	cents/lb.	65.95	Closed	Closed
SJ Valley	cents/lb.	66.45	Closed	Closed

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 Mon March 11, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190311	73.37	73.85	73.05	73.2	-0.29	17,142	118,275	-392
19-Jul	190311	74.53	74.97	74.24	74.44	-0.19	10,427	41,993	-1,265

19-Oct	190311	74.07	74.07	74.07	74.07	0.08	1	10	1
19-Dec	190311	73.36	73.71	73.01	73.51	0.01	6,903	50,772	2,049
20-Mar	190311	74.51	74.61	74.3	74.44	0.04	110	7,817	13
20-May	190311	74.87	74.87	74.87	74.87	0.05	23	449	16
Total Volume and Open Interest							34,614	220,723	384

Pakistan Cotton Spot rates: As on 11-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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