

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: Cotton prices may rebound and rise around 10% by July, according to a survey by the Cotton Association of India. The survey was conducted on last week among 250 participants, including ginners, spinners, trade officials and brokerages, at the Cotton India 2019 International Conference. The participants in the survey pegged the spot price of Shankar-6 cotton, the top traded variety of the commodity, at 46,000-47,260 rupees a candy (1 candy = 356 kg), up from 42,000-43,500 rupees now.

At present the current rate of 29mm good quality cotton is Rs. 42,000 per candy in the spot trade, which was Rs. 41,000 per candy during same period of previous year. At this rate Indian cotton is having good parity for export. If this rate continues for another 45 days, we will achieve our export target of 50-53 lakh bales very easily.

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 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:

Light to moderate rain and snow occurred over Jammu and Kashmir, Himachal Pradesh and Uttarakhand. Rain and thundershowers were observed over parts of Punjab, Haryana and West Uttar Pradesh. Scattered rain and thundershower with isolated hailstorm were observed Delhi-NCR. Isolated rains were observed over Assam, Kerala and North Coastal Odisha. Delhi pollution remained under moderate category.

International Fundamentals:

ICE cotton futures jumped more than 2 percent to a near three-month high on Tuesday, as investors bid up the natural fiber in anticipation of a possible trade deal between the United States and China, while a weaker dollar provided further support. The most active cotton contract on ICE Futures U.S., the May contract, settled up 1.65 cents, or 2.25 percent, at 74.85 cents per lb. The front-month contract hit its highest level since Dec. 21 at 75.00 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	0.62	21030	21200	21030	21140	3179	792	9991	-691
Apr-19	0.56	21340	21490	21320	21430	2011	663	6627	709

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

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

* Updated at as on 13-Mar- 2019@5pm

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	13-Mar-19	12-Mar-19	
Gujarat	Ahmedabad	Shankar-6	5700	5700	Unch
	Gondal	Shankar-6	5565	5565	Unch
	Rajkot	B.T. Cotton	5790	5730	60
	Patan	B.T. Cotton	5680	5695	-15
	Kadi	B.T. Cotton	5800	5750	50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	5385	-
Haryana	Bhiwani	B.T. Cotton	5825	5770	55
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5650	5625	25
	Fatehabad	B.T. Cotton	5650	5625	25
	Jind	B.T. Cotton	5608	5720	-112
	Uchana	B.T. Cotton	5655	5500	155
	Dabwali	B.T. Cotton	5515	5500	15
Rajasthan	Hanumangarh	B.T. Cotton	5800	5650	150
	Rawatsar	B.T. Cotton	5580	5570	10
Madhya Pradesh	Khandwa	Mech-1	5696	5700	-4
	Khargaon	Mech-1	5700	5655	45
Maharashtra	Amravati	Mech-1	5550	5500	50

	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5500	5500	Unch
Karnataka	Bijapur	Bunny	6019	5931	88
	Hubli	D.C.H.	5400	5400	Unch
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5600	5650	-50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	13-Mar-19	12-Mar-19	
Punjab	Bhatinda	J-34	4480	4470	10
	Abohar	J-34	4510	4490	20
	Mansa	J-34	4465	4450	15
Haryana	Sirsa	J-34	4420	4400	20
Rajasthan	Sri-Ganganagar	J-34	4136	4136	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	13-Mar-19	12-Mar-19	
Gujarat	Ahmedabad	Shankar-6	47600	47600	Unch
	Gondal	Shankar-6	532	568	-36
	Rajkot	B.T. Cotton	2380	2410	-30
	Patan	B.T. Cotton	2215	1800	415
	Kadi	B.T. Cotton	15000	30000	-15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NR	124	-
Haryana	Bhiwani	B.T. Cotton	1500	1200	300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	425	-85
	Fatehabad	B.T. Cotton	200	150	50
	Jind	B.T. Cotton	451	751	-301
	Uchana	B.T. Cotton	2000	3650	-1650
	Dabwali	B.T. Cotton	60	60	Unch
Rajasthan	Hanumangarh	B.T. Cotton	1000	700	300
	Rawatsar	B.T. Cotton	800	700	100
Madhya Pradesh	Khandwa	Mech-1	576	816	-240
	Khargaon	Mech-1	1240	1590	-350
Maharashtra	Amravati	Mech-1	15000	16000	-1000
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	33960	45400	-11440
Karnataka	Bijapur	Bunny	1831	1074	757
	Hubli	D.C.H.	1	10	-9
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	382	495	-113
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	13-Mar-19	12-Mar-19	
Punjab	Bhatinda	J-34	4250	2550	1700
	Abohar	J-34	510	510	Unch
	Mansa	J-34	340	255	85
Haryana	Sirsa	J-34	680	1020	-340
Rajasthan	Sri-Ganganagar	J-34	1500	1000	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	13-Mar-19	12-Mar-19	
Gujarat	Rajkot	Rs. /10 Kg.	730	725	5
Delhi	New Delhi	Rs. /10 Kg.	717	720	-3
Telangana	Hyderabad	Rs. /10 Kg.	705	690	15
Maharashtra	Mumbai	Rs. /10 Kg.	735	735	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	13-Mar-19	12-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2115	2112	3
Maharashtra	Akola	Rs./Qtl	2095	2098	-3

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				12-Mar-19	11-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	42300	41200	1100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41100	40600	500
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 INDICES

China Cotton Index:

Index	Unit	13-Mar-19	12-Mar-19	Change
CCIndex(328)	RMB/Ton	15557	15555	2
CCIndex(527)	RMB/Ton	14573	14573	Unch
CCIndex(229)	RMB/Ton	16013	16012	1

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

China Foreign Cotton (FCE) Index :

Index	Unit	13-Mar-19	12-Mar-19	Change
FC Index (S)	Cents/lb	88.55	87.06	1.49
FC Index (M)	Cents/lb	84.72	83.54	1.18
FC Index (L)	Cents/lb	82.41	80.89	1.52

Cotlook Index:

Cotlook Indices	Unit	12-Mar-19	11-Mar-19	Change
A-Index	Cents/Pound	81.55	81.75	-0.20

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		12-Mar-19	11-Mar-19	Bales
Southeast	cents/lb.	71.6	72.2	0
North Delta	cents/lb.	70.35	70.45	0
South Delta	cents/lb.	70.35	70.45	0
East TX-OK	cents/lb.	68.6	69.2	1925
West Texas	cents/lb.	68.6	69.45	2387
Desert SW	cents/lb.	67.6	69.95	0
SJ Valley	cents/lb.	68.1	75.35	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 Tue March 12, 2019

Most Recent Information	Previous Day
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Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190312	73.1	75	73.1	74.85	1.65	14,477	116,468	-1,807
19-Jul	190312	74.43	76.18	74.42	76.04	1.6	7,546	41,943	-50
19-Oct	190312	75	75	74.92	74.92	0.85	0	10	0
19-Dec	190312	73.51	74.47	73.22	74.28	0.77	3,644	51,716	944
20-Mar	190312	74.34	75.26	74.07	75.12	0.68	58	7,843	26
20-May	190312	75.52	75.55	75.52	75.55	0.68	4	450	1
Total Volume and Open Interest							25,733	219,837	-886

Pakistan Cotton Spot rates: As on 10-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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