

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 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:

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 rose more than 1 percent on Wednesday, propelled by concerns of extreme weather conditions in major cotton-growing region Texas, while a slide in the dollar added to the upbeat sentiment. The most active cotton contract on ICE Futures U.S., the May contract, settled up 0.87 cent, or 1.16 percent, at 75.72 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	-1.04	21230	21250	20950	21000	3700	521	9684	-307
Apr-19	-0.98	21530	21540	21250	21300	1859	-152	7080	453

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

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

* Updated at as on 14-Mar- 2019@5pm

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	14-Mar-19	13-Mar-19	
Gujarat	Ahmedabad	Shankar-6	5700	5700	Unch
	Gondal	Shankar-6	5620	5565	55
	Rajkot	B.T. Cotton	5840	5790	50
	Patan	B.T. Cotton	NR	5680	-
	Kadi	B.T. Cotton	5900	5800	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5540	5505	35
Haryana	Bhiwani	B.T. Cotton	5900	5825	75
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5750	5650	100
	Fatehabad	B.T. Cotton	5750	5650	100
	Jind	B.T. Cotton	NA	5608	-
	Uchana	B.T. Cotton	5745	5655	90
	Dabwali	B.T. Cotton	NA	5515	-
Rajasthan	Hanumangarh	B.T. Cotton	5770	5800	-30
	Rawatsar	B.T. Cotton	5700	5580	120
Madhya Pradesh	Khandwa	Mech-1	5731	5696	35
	Khargaon	Mech-1	5900	5700	200
Maharashtra	Amravati	Mech-1	5550	5550	Unch
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5580	5500	80
Karnataka	Bijapur	Bunny	6151	6019	132
	Hubli	D.C.H.	NA	5400	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5700	5600	100
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	14-Mar-19	13-Mar-19	
Punjab	Bhatinda	J-34	4500	4480	20
	Abohar	J-34	4550	4510	40
	Mansa	J-34	4525	4465	60
Haryana	Sirsa	J-34	4460	4420	40
Rajasthan	Sri-Ganganagar	J-34	4230	4136	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	14-Mar-19	13-Mar-19	
Gujarat	Ahmedabad	Shankar-6	47600	47600	Unch
	Gondal	Shankar-6	562	532	30
	Rajkot	B.T. Cotton	2400	2380	20
	Patan	B.T. Cotton	NR	2215	-
	Kadi	B.T. Cotton	30000	15000	15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	59	90	-31
Haryana	Bhiwani	B.T. Cotton	500	1500	-1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	340	Unch
	Fatehabad	B.T. Cotton	50	200	-150
	Jind	B.T. Cotton	NA	451	-
	Uchana	B.T. Cotton	1275	2000	-725
	Dabwali	B.T. Cotton	NA	60	-
Rajasthan	Hanumangarh	B.T. Cotton	500	1000	-500
	Rawatsar	B.T. Cotton	500	800	-300
Madhya Pradesh	Khandwa	Mech-1	774	576	198
	Khargaon	Mech-1	1120	1240	-120
Maharashtra	Amravati	Mech-1	15000	15000	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	23370	33960	-10590
Karnataka	Bijapur	Bunny	1903	1831	72
	Hubli	D.C.H.	NA	1	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	360	382	-22
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	14-Mar-19	13-Mar-19	
Punjab	Bhatinda	J-34	1700	4250	-2550
	Abohar	J-34	340	510	-170
	Mansa	J-34	170	340	-170
Haryana	Sirsa	J-34	85	680	-595
Rajasthan	Sri-Ganganagar	J-34	2000	1500	500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	14-Mar-19	13-Mar-19	
Gujarat	Rajkot	Rs. /10 Kg.	730	730	Unch
Delhi	New Delhi	Rs. /10 Kg.	717	717	Unch
Telangana	Hyderabad	Rs. /10 Kg.	705	705	Unch
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	14-Mar-19	13-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2163	2115	48
Maharashtra	Akola	Rs./Qtl	2137	2095	42

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				13-Mar-19	12-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	42600	41200	1400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41400	40600	800
Shankar-6(105)	29mm	3.5 - 4.9	28	42800	42200	600
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44100	43300	800

MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45000	44500	500
DCH-32(107)	34mm	3.0 - 3.8	33	53000	50000	3000

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

Index	Unit	14-Mar-19	13-Mar-19	Change
CCIndex(328)	RMB/Ton	15572	15557	15
CCIndex(527)	RMB/Ton	14593	14573	20
CCIndex(229)	RMB/Ton	16022	16013	9
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	14-Mar-19	13-Mar-19	Change
FC Index (S)	Cents/lb	89.3	88.55	0.75
FC Index (M)	Cents/lb	85.38	84.72	0.66
FC Index (L)	Cents/lb	83.16	82.41	0.75

Cotlook Index:

Cotlook Indices	Unit	13-Mar-19	12-Mar-19	Change
A-Index	Cents/Pound	83.35	81.55	1.80

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		13-Mar-19	11-Mar-19	Bales
Southeast	cents/lb.	72.47	72.2	0
North Delta	cents/lb.	71.22	70.45	0
South Delta	cents/lb.	71.22	70.45	0
East TX-OK	cents/lb.	69.47	69.2	1925
West Texas	cents/lb.	69.47	69.45	2387
Desert SW	cents/lb.	68.47	69.95	0
SJ Valley	cents/lb.	68.97	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



Pakistan Cotton Spot rates: As on 13-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

Daily Futures Price Listing Wed March 13, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190313	74.94	75.98	74.72	75.72	0.87	11,344	115,385	-1,083
19-Jul	190313	76.04	77.04	75.9	76.81	0.77	6,549	42,577	634
19-Oct	190313	75.1	75.12	75.1	75.12	0.2	0	10	0
19-Dec	190313	74.18	74.6	74.03	74.59	0.31	2,608	53,414	1,698
20-Mar	190313	75.09	75.44	75.09	75.44	0.32	67	7,851	8
20-May	190313	75.55	75.84	75.55	75.84	0.29	0	450	0
Total Volume and Open Interest							20,570	221,092	1,255

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