

**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:

Thunderstorm accompanied with lightning & gusty winds at isolated places very likely over East Madhya Pradesh, Chhattisgarh, Jharkhand, Gangetic West Bengal, Odisha, Arunachal Pradesh. Dense fog observed at isolated places over Haryana; Moderate fog at isolated places over Punjab. Maximum temperatures likely to rise gradually by 3-4°C over Northwest India during next 4 days. No significant change in maximum & minimum temperatures likely over major parts of the country during next 48 hours.

### International Fundamentals:

**Cotton futures settled with 79 to 142 point losses on Thursday.** A stronger US dollar was seen as pressure. The Trade war continues as a meeting between President Trump and President Xi of China has still not been set. The Cotlook A Index was down 20 points on March 12 to 81.55 cents/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	0.1	21030	21090	20990	21040	838	-2862	9245	-439
Apr-19	0.14	21340	21390	21300	21350	480	-1379	7363	283

  

Spread	Mar-19		-	-	--	--
Spot	-300			-	-	-
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	15-Mar-19	14-Mar-19	
Gujarat	Ahmedabad	Shankar-6	5700	5700	Unch
	Gondal	Shankar-6	5630	5620	10
	Rajkot	B.T. Cotton	5810	5840	-30
	Patan	B.T. Cotton	NR	5770	-
	Kadi	B.T. Cotton	5900	5900	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5490	5540	-50
Haryana	Bhiwani	B.T. Cotton	5925	5900	25
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5725	5750	-25
	Fatehabad	B.T. Cotton	5730	5750	-20
	Jind	B.T. Cotton	5900	NA	-
	Uchana	B.T. Cotton	5750	5745	5
	Dabwali	B.T. Cotton	5570	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	5750	5770	-20
	Rawatsar	B.T. Cotton	5635	5700	-65
Madhya Pradesh	Khandwa	Mech-1	5875	5731	144
	Khargaon	Mech-1	5900	5900	Unch

Maharashtra	Amravati	Mech-1	5575	5550	25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5590	5580	10
Karnataka	Bijapur	Bunny	6089	6151	-62
	Hubli	D.C.H.	4501	4501	Unch
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5600	5700	-100
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	15-Mar-19	14-Mar-19	
Punjab	Bhatinda	J-34	4525	4500	25
	Abohar	J-34	4525	4550	-25
	Mansa	J-34	4500	4525	-25
Haryana	Sirsa	J-34	4440	4460	-20
Rajasthan	Sri-Ganganagar	J-34	4136	4230	-94

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Mar-19	14-Mar-19	
Gujarat	Ahmedabad	Shankar-6	45900	47600	-1700
	Gondal	Shankar-6	478	562	-84
	Rajkot	B.T. Cotton	2400	2400	Unch
	Patan	B.T. Cotton	NR	1700	-
	Kadi	B.T. Cotton	30000	30000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	77	59	18
Haryana	Bhiwani	B.T. Cotton	1000	500	500
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	340	Unch
	Fatehabad	B.T. Cotton	200	50	150
	Jind	B.T. Cotton	451	NA	-
	Uchana	B.T. Cotton	800	1275	-475
	Dabwali	B.T. Cotton	125	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	800	500	300
	Rawatsar	B.T. Cotton	800	500	300
Madhya Pradesh	Khandwa	Mech-1	648	774	-126
	Khargaon	Mech-1	1135	1120	15
Maharashtra	Amravati	Mech-1	14000	15000	-1000

	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	26540	23370	3170
Karnataka	Bijapur	Bunny	2413	1903	510
	Hubli	D.C.H.	110	200	-90
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	525	360	165
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	15-Mar-19	14-Mar-19	
Punjab	Bhatinda	J-34	4250	1700	2550
	Abohar	J-34	510	340	170
	Mansa	J-34	255	170	85
Haryana	Sirsa	J-34	680	85	595
Rajasthan	Sri-Ganganagar	J-34	1500	2000	-500

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	15-Mar-19	14-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.	745	735	10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	15-Mar-19	14-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2171	2163	8
Maharashtra	Akola	Rs./Qtl	2154	2137	17

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				14-Mar-19	13-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	42800	41200	1600
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41700	40600	1100

Shankar-6(105)	29mm	3.5 – 4.9	28	43000	42200	800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44300	43300	1000
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45400	44500	900
DCH-32(107)	34mm	3.0 - 3.8	33	53200	50000	3200

### INTERNATIONAL PRICES AND INDICES

#### China Cotton Index:

Index	Unit	15-Mar-19	13-Mar-19	Change
CCIndex(328)	RMB/Ton	15585	15557	28
CCIndex(527)	RMB/Ton	14601	14573	28
CCIndex(229)	RMB/Ton	16022	16013	9

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

#### China Foreign Cotton (FCE) Index :

Index	Unit	15-Mar-19	13-Mar-19	Change
FC Index (S)	Cents/lb	88.01	88.55	-0.54
FC Index (M)	Cents/lb	84.32	84.72	-0.40
FC Index (L)	Cents/lb	81.76	82.41	-0.65

#### Cotlook Index:

Cotlook Indices	Unit	14-Mar-19	13-Mar-19	Change
A-Index	Cents/Pound	84.3	83.35	0.95

#### USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		14-Mar-19	12-Mar-19	Bales
Southeast	cents/lb.	71.05	73.85	0
North Delta	cents/lb.	69.8	72.1	0
South Delta	cents/lb.	69.8	72.1	0
East TX-OK	cents/lb.	68.05	71.1	12802
West Texas	cents/lb.	68.05	71.35	11449
Desert SW	cents/lb.	67.05	71.6	0
SJ Valley	cents/lb.	67.55	77	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 14-Mar-2019				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8700	160	8860
Equivalent	40 Kgs	9324	171	9495

Daily Futures Price Listing Thu March 14, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">19-May</a>	190314	75.7	75.88	74.02	74.3	-1.42	22,548	111,926	-3,459
<a href="#">19-Jul</a>	190314	76.77	77	75.18	75.45	-1.36	11,595	45,280	2,703
<a href="#">19-Oct</a>	190314	74.33	74.33	74.33	74.33	-0.79	1	10	0
<a href="#">19-Dec</a>	190314	74.5	74.59	73.52	74.06	-0.53	6,762	53,791	377
<a href="#">20-Mar</a>	190314	74.99	75.12	74.5	75.02	-0.42	216	7,852	1
<a href="#">20-May</a>	190314	75.44	75.44	75.44	75.44	-0.4	1	450	0
Total Volume and Open Interest							41,481	220,990	-102

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2019 Indian Agribusiness Systems Pvt. Ltd.