

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: The Punjab state agriculture department has started preparing for upcoming cotton sowing season that normally starts by April end and continues throughout May. The state department this year has fixed the target of cotton sowing in 3.20 lakh hectares as compared 2.83 lakh hectares of last year.

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:

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:

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	21180	20950	21170	3700	521	9684	-307
Apr-19	-0.98	21530	21480	21250	21470	1859	-152	7080	453

Spread	Mar-19		-	-	--	--
Spot	-300		-	-	-	-
Apr-19			-	-	-	-

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

* Updated at as on 14-Mar- 2019

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	16-Mar-19	15-Mar-19	
Gujarat	Ahmedabad	Shankar-6	5725	5700	25
	Gondal	Shankar-6	5625	5630	-5
	Rajkot	B.T. Cotton	5850	5810	40
	Patan	B.T. Cotton	NR	5780	-
	Kadi	B.T. Cotton	6000	5900	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5515	5490	25
Haryana	Bhiwani	B.T. Cotton	6000	5925	75
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5800	5725	75
	Fatehabad	B.T. Cotton	5825	5730	95
	Jind	B.T. Cotton	6000	5900	100
	Uchana	B.T. Cotton	5775	5750	25
	Dabwali	B.T. Cotton	5700	5570	130
Rajasthan	Hanumangarh	B.T. Cotton	5850	5750	100
	Rawatsar	B.T. Cotton	5650	5635	15
Madhya Pradesh	Khandwa	Mech-1	5891	5875	16

	Khargaon	Mech-1	5900	5900	Unch
Maharashtra	Amravati	Mech-1	5625	5575	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5650	5590	60
Karnataka	Bijapur	Bunny	6091	6089	2
	Hubli	D.C.H.	4500	4501	-1
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5720	5600	120
Commodity	Lint		Prices (Rs./Maunder)		Change
State	Centre	Variety	16-Mar-19	15-Mar-19	
Punjab	Bhatinda	J-34	4530	4525	5
	Abohar	J-34	4560	4525	35
	Mansa	J-34	4525	4500	25
Haryana	Sirsa	J-34	4470	4440	30
Rajasthan	Sri-Ganganagar	J-34	4183	4136	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	16-Mar-19	15-Mar-19	
Gujarat	Ahmedabad	Shankar-6	42500	45900	-3400
	Gondal	Shankar-6	324	478	-154
	Rajkot	B.T. Cotton	2410	2400	10
	Patan	B.T. Cotton	NR	2715	-
	Kadi	B.T. Cotton	15000	30000	-15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	102	77	25
Haryana	Bhiwani	B.T. Cotton	400	1000	-600
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	340	Unch
	Fatehabad	B.T. Cotton	300	200	100
	Jind	B.T. Cotton	451	451	Unch
	Uchana	B.T. Cotton	1400	800	600
	Dabwali	B.T. Cotton	20	125	-105
Rajasthan	Hanumangarh	B.T. Cotton	1000	800	200
	Rawatsar	B.T. Cotton	800	800	Unch
Madhya Pradesh	Khandwa	Mech-1	594	648	-54
	Khargaon	Mech-1	1290	1135	155

Maharashtra	Amravati	Mech-1	13000	14000	-1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	24820	26540	-1720
Karnataka	Bijapur	Bunny	2779	2413	366
	Hubli	D.C.H.	45	110	-65
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	465	525	-60
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	16-Mar-19	15-Mar-19	
Punjab	Bhatinda	J-34	3400	4250	-850
	Abohar	J-34	510	510	Unch
	Mansa	J-34	510	255	255
Haryana	Sirsa	J-34	680	680	Unch
Rajasthan	Sri-Ganganagar	J-34	1500	1500	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	16-Mar-19	15-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	745	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	16-Mar-19	15-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2172	2171	1
Maharashtra	Akola	Rs./Qtl	2157	2154	3

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				15-Mar-19	14-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	16-Mar-19	15-Mar-19	Change
CCIndex(328)	RMB/Ton	Closed	15585	-
CCIndex(527)	RMB/Ton	Closed	14601	-
CCIndex(229)	RMB/Ton	Closed	16022	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	16-Mar-19	15-Mar-19	Change
FC Index (S)	Cents/lb	Closed	88.01	-
FC Index (M)	Cents/lb	Closed	84.32	-
FC Index (L)	Cents/lb	Closed	81.76	-

Cotlook Index:

Cotlook Indices	Unit	15-Mar-19	14-Mar-19	Change
A-Index	Cents/Pound	Closed	84.3	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		15-Mar-19	14-Mar-19	Bales
Southeast	cents/lb.	72.25	73.3	0
North Delta	cents/lb.	71	71.55	0
South Delta	cents/lb.	71	71.55	0
East TX-OK	cents/lb.	69.25	70.55	3390
West Texas	cents/lb.	69.25	70.8	4001
Desert SW	cents/lb.	68.25	71.05	506
SJ Valley	cents/lb.	68.75	76.45	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 15-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 Fri March 15, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190315	74.3	75.83	74.28	75.5	1.2	22,677	109,481	-2,445
19-Jul	190315	75.44	76.9	75.44	76.6	1.15	10,307	46,972	1,692
19-Oct	190315	75.06	75.06	75.06	75.06	0.73	1	9	-1
19-Dec	190315	74.1	74.55	74.03	74.52	0.46	5,705	55,192	1,401
20-Mar	190315	75.27	75.36	75.06	75.36	0.34	197	7,859	7
20-May	190315	75.62	75.78	75.47	75.78	0.34	5	450	0
Total Volume and Open Interest							38,915	221,665	675

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