

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.

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:

Scattered to fairly widespread rain/thundershowers are very likely over northeast India during next 3 days with isolated thunderstorms, gusty winds and lightning are likely mainly over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura during next 2 days. A fresh Western Disturbance is very likely to cause fairly widespread to widespread rain/snow with isolated thunderstorms, hailstorms, gusty winds & lightning over Western Himalayan Region on 19th & 20th March.

International Fundamentals:

ICE cotton futures rose on Friday as a report stated that more progress has been made in the U.S.-China trade talks lifted investor sentiment. The most active cotton contract on ICE Futures U.S., the May contract settled up 1.2 cents, or 1.62 percent, at 75.5 cents per lb. It traded within a range of 74.28 and 75.83 cents a lb, and was up 2.7 percent for the week.

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	1.09	21210	21470	21210	21400	4113	413	8151	-1533
Apr-19	1.07	21510	21780	21510	21700	3288	1429	8733	1653

Spread	Mar-19		-	-	--	--
Spot	-310		-	-	-	-
Apr-19			-	-	-	-

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

* Updated at as on 18-Mar- 2019@5pm

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	18-Mar-19	16-Mar-19	
Gujarat	Ahmedabad	Shankar-6	6000	5725	275
	Gondal	Shankar-6	6030	5625	405
	Rajkot	B.T. Cotton	6105	5850	255
	Patan	B.T. Cotton	NR	5825	-
	Kadi	B.T. Cotton	6150	6000	150
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6000	5515	485
Haryana	Bhiwani	B.T. Cotton	6150	6000	150

	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6000	5800	200
	Fatehabad	B.T. Cotton	6035	5825	210
	Jind	B.T. Cotton	6000	6000	Unch
	Uchana	B.T. Cotton	5885	5775	110
	Dabwali	B.T. Cotton	5925	5700	225
Rajasthan	Hanumangarh	B.T. Cotton	6100	5850	250
	Rawatsar	B.T. Cotton	5900	5650	250
Madhya Pradesh	Khandwa	Mech-1	5895	5891	4
	Khargaon	Mech-1	5920	5900	20
Maharashtra	Amravati	Mech-1	5700	5625	75
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	5650	5650	Unch
Karnataka	Bijapur	Bunny	6301	6091	210
	Hubli	D.C.H.	4501	4500	1
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5800	5720	80
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	18-Mar-19	16-Mar-19	
Punjab	Bhatinda	J-34	4610	4530	80
	Abohar	J-34	4630	4560	70
	Mansa	J-34	4600	4525	75
Haryana	Sirsa	J-34	4540	4470	70
Rajasthan	Sri-Ganganagar	J-34	4277	4183	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	18-Mar-19	16-Mar-19	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	320	324	-4
	Rajkot	B.T. Cotton	2600	2410	190
	Patan	B.T. Cotton	NR	2305	-
	Kadi	B.T. Cotton	15000	15000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	38	102	-64
Haryana	Bhiwani	B.T. Cotton	400	400	Unch
	Bhiwani	Desi	NA	NA	-

	Adampur	B.T. Cotton	340	340	Unch
	Fatehabad	B.T. Cotton	70	300	-230
	Jind	B.T. Cotton	750	451	299
	Uchana	B.T. Cotton	1340	1400	-60
	Dabwali	B.T. Cotton	80	20	60
Rajasthan	Hanumangarh	B.T. Cotton	800	1000	-200
	Rawatsar	B.T. Cotton	700	800	-100
Madhya Pradesh	Khandwa	Mech-1	594	594	Unch
	Khargaon	Mech-1	1305	1290	15
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	15510	24820	-9310
Karnataka	Bijapur	Bunny	3902	2779	1123
	Hubli	D.C.H.	58	45	13
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	735	465	270
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	18-Mar-19	16-Mar-19	
Punjab	Bhatinda	J-34	3400	3400	Unch
	Abohar	J-34	510	510	Unch
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	510	680	-170
Rajasthan	Sri-Ganganagar	J-34	700	1500	-800

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	18-Mar-19	16-Mar-19	
Gujarat	Rajkot	Rs. /10 Kg.	740	730	10
Delhi	New Delhi	Rs. /10 Kg.	705	717	-12
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	18-Mar-19	16-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2378	2172	206
Maharashtra	Akola	Rs./Qtl	2277	2157	120

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				16-Mar-19	15-Mar-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39800	40400	-600
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40300	40900	-600
J-34(202)	26mm	3.5 - 4.9	23	42900	41200	1700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41800	40600	1200
Shankar-6(105)	29mm	3.5 - 4.9	28	43000	42200	800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44400	43300	1100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45400	44500	900
DCH-32(107)	34mm	3.0 - 3.8	33	53100	50000	3100

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

Index	Unit	18-Mar-19	16-Mar-19	Change
CCIndex(328)	RMB/Ton	15596	Closed	-
CCIndex(527)	RMB/Ton	14613	Closed	-
CCIndex(229)	RMB/Ton	16035	Closed	-

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

China Foreign Cotton (FCE) Index :

Index	Unit	18-Mar-19	16-Mar-19	Change
FC Index (S)	Cents/lb	89.26	Closed	-
FC Index (M)	Cents/lb	85.18	Closed	-
FC Index (L)	Cents/lb	83.07	Closed	-

Cotlook Index:

Cotlook Indices	Unit	15-Mar-19	14-Mar-19	Change
A-Index	Cents/Pound	83.05	84.3	-1.25

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 16-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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