

Domestic Fundamentals:**Market Outlook:**

Cotton prices expected trade higher side due to improving in exports demand from International markets especially from China. Moreover, raising domestic demand and procurement by CCI also support prices. However reports of CCI likely to start selling of its stock in first week of April may keep prices in range.

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 ginner, 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.

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.

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:

According Pakistan Cotton ginneries Association, the Pakistan cotton production fell 6.84 percent to 10.762 million bales as of, March 15 from 11.5m in the corresponding period of last year. The textile spinning industry purchased 9.641 m bales as against 10.954 m in the corresponding period of last year.

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	-0.19	21300	21340	21220	21250	1378	-2735	7907	-244
Apr-19	-0.14	21600	21640	21520	21550	1200	-2088	9509	776

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

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

* Updated at as on 19-Mar- 2019@5pm

DOMESTIC PRICES AND ARRIVAL**Cotton Prices at Key Spot Markets:**

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	19-Mar-19	18-Mar-19	
Gujarat	Ahmedabad	Shankar-6	6000	6000	Unch
	Gondal	Shankar-6	6085	6030	55
	Rajkot	B.T. Cotton	6085	6105	-20
	Patan	B.T. Cotton	NR	6025	-
	Kadi	B.T. Cotton	6150	6150	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5910	6000	-90
Haryana	Bhiwani	B.T. Cotton	6200	6150	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5980	6000	-20
	Fatehabad	B.T. Cotton	6025	6035	-10
	Jind	B.T. Cotton	6260	6000	260
	Uchana	B.T. Cotton	6108	5885	223
	Dabwali	B.T. Cotton	NA	5925	-
Rajasthan	Hanumangarh	B.T. Cotton	6000	6100	-100
	Rawatsar	B.T. Cotton	5900	5900	Unch
Madhya Pradesh	Khandwa	Mech-1	5750	5895	-145
	Khargaon	Mech-1	6100	5920	180
Maharashtra	Amravati	Mech-1	5575	5700	-125
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	5500	5650	-150
Karnataka	Bijapur	Bunny	6259	6301	-42
	Hubli	D.C.H.	NA	4501	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5800	5800	Unch
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	19-Mar-19	18-Mar-19	
Punjab	Bhatinda	J-34	4620	4610	10
	Abohar	J-34	4640	4630	10
	Mansa	J-34	4625	4600	25
Haryana	Sirsa	J-34	4550	4540	10
Rajasthan	Sri-Ganganagar	J-34	4230	4277	-47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	19-Mar-19	18-Mar-19	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	520	320	200
	Rajkot	B.T. Cotton	2620	2600	20
	Patan	B.T. Cotton	NR	2860	-
	Kadi	B.T. Cotton	30000	15000	15000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	25	38	-13
Haryana	Bhiwani	B.T. Cotton	400	400	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	255	340	-85
	Fatehabad	B.T. Cotton	200	70	130
	Jind	B.T. Cotton	551	750	-199
	Uchana	B.T. Cotton	1355	1340	15
	Dabwali	B.T. Cotton	NA	80	-
Rajasthan	Hanumangarh	B.T. Cotton	700	800	-100
	Rawatsar	B.T. Cotton	700	700	Unch
Madhya Pradesh	Khandwa	Mech-1	1380	594	786
	Khargaon	Mech-1	1970	1305	665
Maharashtra	Amravati	Mech-1	13000	16000	-3000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	45400	15510	29890

Karnataka	Bijapur	Bunny	2891	3902	-1011
	Hubli	D.C.H.	NA	58	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	300	735	-435
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	19-Mar-19	18-Mar-19	
Punjab	Bhatinda	J-34	4250	3400	850
	Abohar	J-34	510	510	Unch
	Mansa	J-34	340	340	Unch
Haryana	Sirsa	J-34	510	510	Unch
Rajasthan	Sri-Ganganagar	J-34	2000	700	1300

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	19-Mar-19	18-Mar-19	
Gujarat	Rajkot	Rs. /10 Kg.	740	740	Unch
Delhi	New Delhi	Rs. /10 Kg.	705	705	Unch
Telangana	Hyderabad	Rs. /10 Kg.	710	705	5
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	19-Mar-19	18-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2336	2378	-42
Maharashtra	Akola	Rs./Qtl	2321	2277	44

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				18-Mar-19	17-Mar-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40000	40400	-400
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40500	40900	-400
J-34(202)	26mm	3.5 - 4.9	23	43300	41200	2100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42000	40600	1400
Shankar-6(105)	29mm	3.5 - 4.9	28	43300	42200	1100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44600	43300	1300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45600	44500	1100
DCH-32(107)	34mm	3.0 - 3.8	33	53900	50000	3900

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	19-Mar-19	18-Mar-19	Change
CCIndex(328)	RMB/Ton	15606	15596	10
CCIndex(527)	RMB/Ton	14619	14613	6
CCIndex(229)	RMB/Ton	16043	16035	8
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	19-Mar-19	18-Mar-19	Change
FC Index (S)	Cents/lb	89.12	89.26	-0.14
FC Index (M)	Cents/lb	84.95	85.18	-0.23
FC Index (L)	Cents/lb	82.76	83.07	-0.31

Cotlook Index:

Cotlook Indices	Unit	17-Mar-19	16-Mar-19	Change
A-Index	Cents/Pound	#N/A	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		17-Mar-19	16-Mar-19	Bales
Southeast	cents/lb.	#N/A	Closed	Closed
North Delta	cents/lb.	#N/A	Closed	Closed
South Delta	cents/lb.	#N/A	Closed	Closed
East TX-OK	cents/lb.	#N/A	Closed	Closed
West Texas	cents/lb.	#N/A	Closed	Closed
Desert SW	cents/lb.	#N/A	Closed	Closed
SJ Valley	cents/lb.	#N/A	Closed	Closed

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 18-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 Mon March 18, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190318	75.4	75.91	74.89	75.27	-0.23	19,153	108,775	-706
19-Jul	190318	76.58	76.98	76.01	76.41	-0.19	7,911	47,071	99
19-Oct	190318	75.22	75.22	75.22	75.22	0.16	1	9	0
19-Dec	190318	74.51	74.8	74.28	74.7	0.18	2,521	55,078	-114
20-Mar	190318	75.35	75.6	75.16	75.54	0.18	139	7,895	36
20-May	190318	75.96	75.96	75.96	75.96	0.18	0	450	0
Total Volume and Open Interest							29,726	220,981	-684

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