

Domestic Fundamentals:**Market Outlook:**

Cotton prices expected to trade higher side due to 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: Short supply in local markets caused India to impose a ban on cotton exports. The export ban for cotton was imposed with "immediate effect", a statement issued by the Indian Commerce Ministry. India has already exported 8.5 million bales (1.4 million tons) in the current financial year, which ends in March that is more than a government estimate of 8.4 million bales. It was also to ensure that India has enough cotton available locally and even rising demand for the commodity in China pushed up prices, threatening India's textile makers.

Government has decided to reduce royalties paid by Indian seed companies to Monsanto for its genetically modified (GM) cotton by 49 percent to 20 rupees for a packet of 450 grams, according to a farm ministry order. Cotton prices moved mostly higher in the international markets.

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.

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 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:

A Western Disturbance and its induced cyclonic circulation are very likely to cause isolated thunderstorms, hailstorms, gusty winds & lightning over Western Himalayan Region, northern parts of Punjab and Haryana & Chandigarh during next 24 hours. Isolated rain / thundershowers, gusty winds and lightning are also likely over remaining parts of Haryana & Delhi today. Scattered to fairly widespread rain/thundershowers are very likely over northeast India during next 3 days.

International Fundamentals:

According Pakistan Cotton ginner 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	21150	21250	21140	21210	1188	-2512	6926	-2758
Apr-19	0.19	21470	21570	21450	21520	1098	-761	10323	3243

Spread	Mar-19		-	-	--	--
Spot	-320		-	-	-	-
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	20-Mar-19	19-Mar-19	
Gujarat	Ahmedabad	Shankar-6	5875	6000	-125
	Gondal	Shankar-6	Closed	6085	-
	Rajkot	B.T. Cotton	6055	6085	-30
	Patan	B.T. Cotton	5925	5965	-40
	Kadi	B.T. Cotton	6150	6150	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6005	5910	95
Haryana	Bhiwani	B.T. Cotton	Closed	6200	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5970	5980	-10
	Fatehabad	B.T. Cotton	5950	6025	-75
	Jind	B.T. Cotton	6100	6260	-160
	Uchana	B.T. Cotton	6034	6108	-74
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	6000	-
	Rawatsar	B.T. Cotton	Closed	5900	-
Madhya Pradesh	Khandwa	Mech-1	6080	5750	330
	Khargaon	Mech-1	6095	6100	-5
Maharashtra	Amravati	Mech-1	5575	5575	Unch

	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	5500	-
Karnataka	Bijapur	Bunny	NA	6259	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5750	5800	-50
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Mar-19	19-Mar-19	
Punjab	Bhatinda	J-34	4630	4620	10
	Abohar	J-34	4630	4640	-10
	Mansa	J-34	4610	4625	-15
Haryana	Sirsa	J-34	4550	4550	Unch
Rajasthan	Sri-Ganganagar	J-34	4277	4230	47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Mar-19	19-Mar-19	
Gujarat	Ahmedabad	Shankar-6	42500	42500	Unch
	Gondal	Shankar-6	Closed	520	-
	Rajkot	B.T. Cotton	2000	2620	-620
	Patan	B.T. Cotton	1520	3962	-2442
	Kadi	B.T. Cotton	25000	30000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	3	25	-22
Haryana	Bhiwani	B.T. Cotton	Closed	400	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	255	85
	Fatehabad	B.T. Cotton	200	200	Unch
	Jind	B.T. Cotton	451	551	-100
	Uchana	B.T. Cotton	1220	1355	-135
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	700	-
	Rawatsar	B.T. Cotton	Closed	700	-
Madhya Pradesh	Khandwa	Mech-1	630	1380	-750
	Khargaon	Mech-1	1300	1970	-670
Maharashtra	Amravati	Mech-1	13000	13000	Unch
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	45400	-
Karnataka	Bijapur	Bunny	NA	2891	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	195	300	-105
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Mar-19	19-Mar-19	
Punjab	Bhatinda	J-34	1700	4250	-2550
	Abohar	J-34	340	510	-170
	Mansa	J-34	255	340	-85
Haryana	Sirsa	J-34	680	510	170
Rajasthan	Sri-Ganganagar	J-34	NA	2000	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	20-Mar-19	19-Mar-19	
Gujarat	Rajkot	Rs. /10 Kg.	745	740	5
Delhi	New Delhi	Rs. /10 Kg.	705	705	Unch
Telangana	Hyderabad	Rs. /10 Kg.	710	710	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	748	745	3

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	20-Mar-19	19-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2305	2336	-31
Maharashtra	Akola	Rs./Qtl	2292	2321	-29

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				19-Mar-19	18-Mar-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40400	40400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	40900	Unch
J-34(202)	26mm	3.5 - 4.9	23	43300	41200	2100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	42200	40600	1600
Shankar-6(105)	29mm	3.5 - 4.9	28	43800	42200	1600

Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44700	43300	1400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45700	44500	1200
DCH-32(107)	34mm	3.0 - 3.8	33	54300	50000	4300

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

Index	Unit	20-Mar-19	19-Mar-19	Change
CCIndex(328)	RMB/Ton	15607	15606	1
CCIndex(527)	RMB/Ton	14621	14619	2
CCIndex(229)	RMB/Ton	16043	16043	Unch

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

China Foreign Cotton (FCE) Index :

Index	Unit	20-Mar-19	19-Mar-19	Change
FC Index (S)	Cents/lb	89.43	89.12	0.31
FC Index (M)	Cents/lb	85.3	84.95	0.35
FC Index (L)	Cents/lb	83.08	82.76	0.32

Cotlook Index:

Cotlook Indices	Unit	18-Mar-19	17-Mar-19	Change
A-Index	Cents/Pound	84.35	#N/A	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		18-Mar-19	17-Mar-19	Bales
Southeast	cents/lb.	72.02	#N/A	#N/A
North Delta	cents/lb.	70.77	#N/A	#N/A
South Delta	cents/lb.	70.77	#N/A	#N/A
East TX-OK	cents/lb.	69.02	#N/A	#N/A
West Texas	cents/lb.	69.02	#N/A	#N/A
Desert SW	cents/lb.	68.02	#N/A	#N/A
SJ Valley	cents/lb.	68.52	#N/A	#N/A

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 20-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 Tue March 19, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190319	75.22	76.35	75.21	75.65	0.38	14,096	107,316	-1,459
19-Jul	190319	76.36	77.33	76.36	76.72	0.31	5,787	47,789	718
19-Oct	190319	75.42	75.42	75.42	75.42	0.2	0	9	0
19-Dec	190319	74.63	74.98	74.63	74.9	0.2	3,442	55,690	612
20-Mar	190319	75.6	75.8	75.6	75.7	0.16	227	7,920	25
20-May	190319	76.12	76.13	76.08	76.08	0.12	3	450	0
Total Volume and Open Interest							23,719	221,011	30

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.