

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 started selling of its stock from last week of March may keep prices in range also 4-5 lakh bales is going to be procured by CCI.

News: *At present the current rate of 29mm good quality cotton is Rs. 45,400 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 has commenced the sale of 1.1 million bales cotton procured in the 2018-2019 (October-September) of which around 10,000 bales have already been sold at the rate of Rs.47,000/candy via e-auction so far in the physical market of Telangana and Maharashtra said the state agency.

The area under cotton is seen rising to 350,000 ha, compared with 275,000 ha in 2018-19. As the acreage under paddy is seen declining due to shift in acreage to maize and cotton as the underground water table level is reducing in the state like Punjab. Sowing of cotton normally starts late April in irrigated areas of north India, while in rain-fed regions of the country, it starts in June.

Cotton acreage fell drastically, due to water shortage, in key growing regions of Gujarat, Maharashtra and Karnataka, which together account for about half of the country's production. Cotton prices are steadily moving up even as about 70 per cent of the estimated crop have already arrived in the market. According to CCI, about 235 lakh bales (of 170 kg each) cotton have arrived in the market as on March 15.

Daily cotton arrivals have declined to about 80,000-90,000 bales as against 1.3 lakh bales last year. Also the market price of raw cotton or kapas gained 10 per cent above the minimum support price (MSP) at Rs.5,850-5,900 a quintal after CCI bought about 12 lakh bales. And Nearly 90 lakh bales of the fibre is lying in stocks, of which mills have about 45 lakh bales, while the remaining is with corporates, CCI, ginners and MCX.

The latest estimates by the Indian Cotton Association pegs domestic cotton production at 328 lakh bales for the 2018-19 season, compared to its preliminary estimates of 348 lakh bales. The current year output is 10 percent lower than the 2017-18 season. Moreover, increasing probability of El nino is a concern for Indian monsoon, and thereby for the Kharif grown fibre crop.

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.

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.

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 38 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.

Weather Forecast for tomorrow:

Heat wave to severe heat wave conditions are very likely in some parts of Madhya Pradesh and Marathwada during next 2-3 days. Heat wave conditions are also likely to prevail in some parts/at isolated pockets over Rajasthan, Gujarat, remaining parts of interior Maharashtra, Chhattisgarh, Uttar Pradesh and southern parts of Haryana upto 4th April, and over Rayalaseema, south Coastal Andhra Pradesh and Tamilnadu during next 2 days.

International Fundamentals:

For the week, spot cotton was up 1.03 cent, in addition to last week's 1.08-cent rise. May cotton settled at 77.61 cents, up 1.74 cent, July was 78.31 cents, up 1.43 cent, and December was 75.44 cents, up 0.60 cent. Friday's estimated volume was 40,500 contracts.

US cotton exports during January totaled 1.225 million bales according to Census data. That was 25.5% larger than December exports but 25.63% below the January 2018.

U.S. shippers sold only 125,000 bales, but shipments were better than the prior week at 350,100 upland bales but were still below the average needed to hit the USDA target. Nevertheless, sales and shipments are expected to be better next week.

For 2019-20, the USDA expects a healthy increase in production to 126.5 million bales. The global cotton market, which was earlier estimated to be in a deficit is expected to turn into a surplus in 2019-20. Mill-use is projected to increase at a rate near the long-term average next crop year to 125.5 million bales. US-China trade relations would continue to play a major role and the main catalyst for global cotton prices.

According Pakistan Cotton ginners 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.

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 UPLAND sales of 1,25,000 RB for 2018- 2019 were reported for Vietnam (84,700 RB, including 35,800 RB switched from China, 400 RB switched from Taiwan, and decreases of 100 RB), Turkey (21,500 RB), India (16,300 RB), Pakistan

(10,300 RB), and Bangladesh (5,100 RB). Reductions were reported for China (11,600 RB), Hong Kong (6,600 RB), Malaysia (4,200 RB), Indonesia (4,000 RB).

MCX Cotton Futures*: (Prices in Rs/170 kgs)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Apr	0.56	21520	21750	21520	21490	2713	362	15790	230
19-May	0.56	21790	22030	21770	21760	480	-	2432	-
Spread	Mar-19			-	-	-	--	--	--
Spot	-280				-	-	-	-	-
Apr-19					-	-	-	-	-

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

* Updated at as on 01-Apr- 2019@5pm

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	1-Apr-19	30-Mar-19	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	6145	Closed	-
	Rajkot	B.T. Cotton	6115	Closed	-
	Patan	B.T. Cotton	6065	Closed	-
	Kadi	B.T. Cotton	6050	6100	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Haryana	Bhiwani	B.T. Cotton	6350	6280	70
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6110	6020	90
	Fatehabad	B.T. Cotton	6100	6060	40
	Jind	B.T. Cotton	NR	6300	-
	Uchana	B.T. Cotton	6004	5930	74
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6100	6050	50
	Rawatsar	B.T. Cotton	NR	6000	-
Madhya Pradesh	Khandwa	Mech-1	6091	6180	-89
	Khargaon	Mech-1	NR	6150	-
Maharashtra	Amravati	Mech-1	5850	5800	50
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	5800	-
Karnataka	Bijapur	Bunny	6439	6359	80
	Hubli	D.C.H.	6259	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6100	6090	10
Commodity		Lint	Prices (Rs./Maund)		Change
State	Centre	Variety	1-Apr-19	30-Mar-19	
Punjab	Bhatinda	J-34	4730	4720	10
	Abohar	J-34	4760	4725	35
	Mansa	J-34	4750	4690	60
Haryana	Sirsa	J-34	4685	4650	35
Rajasthan	Sri-Ganganagar	J-34	4324	4465	-141

Cotton Arrivals in Key Centers:

Commodity		Kapas	Arrivals (Quintal)		Change
State	Centre	Variety	1-Apr-19	30-Mar-19	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	187	Closed	-
	Rajkot	B.T. Cotton	1200	Closed	-
	Patan	B.T. Cotton	2826	Closed	-
	Kadi	B.T. Cotton	20000	15000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Haryana	Bhiwani	B.T. Cotton	800	550	250
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	595	340	255
	Fatehabad	B.T. Cotton	250	300	-50
	Jind	B.T. Cotton	NR	374	-
	Uchana	B.T. Cotton	1525	1300	225
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	150	200	-50
	Rawatsar	B.T. Cotton	NR	150	-
Madhya Pradesh	Khandwa	Mech-1	790	540	250
	Khargaon	Mech-1	NR	1200	-
Maharashtra	Amravati	Mech-1	13000	3000	10000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	28040	-
Karnataka	Bijapur	Bunny	2320	1044	1276
	Hubli	D.C.H.	66	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	389	607	-218
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-Apr-19	30-Mar-19	
Punjab	Bhatinda	J-34	2550	2550	Unch
	Abohar	J-34	340	170	170
	Mansa	J-34	1020	340	680
Haryana	Sirsa	J-34	1190	510	680
Rajasthan	Sri-Ganganagar	J-34	2000	1000	1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	1-Apr-19	30-Mar-19	
Gujarat	Rajkot	Rs. /10 Kg.	730	725	5
Delhi	New Delhi	Rs. /10 Kg.	702	702	Unch
Telangana	Hyderabad	Rs. /10 Kg.	710	710	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	742	740	2

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	1-Apr-19	30-Mar-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2461	2372	89
Maharashtra	Akola	Rs./Qtl	2386	2342	44

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				30-Mar-19	29-Mar-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41200	40400	800
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41700	40900	800
J-34(202)	26mm	3.5 - 4.9	23	44700	41200	3500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43000	40600	2400
Shankar-6(105)	29mm	3.5 - 4.9	28	44300	42200	2100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45600	43300	2300

MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	46600	44500	2100
DCH-32(107)	34mm	3.0 - 3.8	33	55000	50000	5000

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

Index	Unit	1-Apr-19	30-Mar-19	Change
CCIndex(328)	RMB/Ton	0	Closed	-
CCIndex(527)	RMB/Ton	0	Closed	-
CCIndex(229)	RMB/Ton	0	Closed	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	1-Apr-19	30-Mar-19	Change
FC Index (S)	Cents/lb	#N/A	Closed	-
FC Index (M)	Cents/lb	#N/A	Closed	-
FC Index (L)	Cents/lb	#N/A	Closed	-

Cotlook Index:

Cotlook Indices	Unit	29-Mar-19	28-Mar-19	Change
A-Index	Cents/Pound	85.3	86.3	-1.00

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		29-Mar-19	29-Mar-19	Bales
Southeast	cents/lb.	74.36	76.61	0
North Delta	cents/lb.	73.11	74.86	0
South Delta	cents/lb.	73.11	74.86	0
East TX-OK	cents/lb.	71.36	73.86	7287
West Texas	cents/lb.	71.36	74.11	3688
Desert SW	cents/lb.	70.36	74.36	0
SJ Valley	cents/lb.	70.36	79.76	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 01-Apr-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 29, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190328	76.95	77.15	75.52	75.87	-1.08	14,679	97,181	-942
19-Jul	190328	77.91	78.07	76.53	76.88	-1.04	8,905	57,517	1,302
19-Oct	190328	75.28	75.28	75.28	75.28	-0.91	0	8	0
19-Dec	190328	75.5	75.58	74.45	74.84	-0.66	5,064	61,024	1,357
20-Mar	190328	76.15	76.25	75.25	75.6	-0.64	254	8,261	41
20-May	190328	75.8	75.82	75.8	75.82	-0.65	28	455	2
Total Volume and Open Interest							29,007	226,594	1,816

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