

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. 44,800 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 Monday, May cotton settled at 77.36 cents, down 0.25 cent, July at 78.21 cents, down 0.10 cent. The Cotlook A Index was down 100 points at 85.30 on March 29. The USDA Adjusted World Price (AWP) is 68.23 cents/lb, good through Thursday.

World cotton prices further lower due to delay in outcome of US-China trade negotiations had adversely been impacting trade whereas Indian market was steady. USDA indicated that 4% of the US cotton crop is planted (15 tracking states). That is ahead of the five year average of 3% but behind last year's 6%.

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	21750	21840	21660	21790	2649	-64	15927	137
19-May	0.56	21980	22110	21950	22070	543	63	2683	251
Spread	Mar-19			-	-	-	--	--	--
Spot	-270				-	-	-	-	-
Apr-19					-	-	-	-	-

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

* Updated at as on 02-Apr- 2019@5pm

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	2-Apr-19	1-Apr-19	
Gujarat	Ahmedabad	Shankar-6	6250	Closed	-
	Gondal	Shankar-6	6150	6145	5
	Rajkot	B.T. Cotton	6225	6115	110
	Patan	B.T. Cotton	6100	6065	35
	Kadi	B.T. Cotton	6200	6050	150
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6015	Closed	-
Haryana	Bhiwani	B.T. Cotton	6300	6350	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6120	6110	10
	Fatehabad	B.T. Cotton	6150	6100	50
	Jind	B.T. Cotton	6240	NR	-
	Uchana	B.T. Cotton	6190	6004	186
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6200	6100	100
	Rawatsar	B.T. Cotton	6100	NR	-

Madhya Pradesh	Khandwa	Mech-1	6100	6091	9
	Khargaon	Mech-1	6185	NR	-
Maharashtra	Amravati	Mech-1	5850	5850	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	6386	6439	-53
	Hubli	D.C.H.	NA	6259	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6130	6100	30
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	2-Apr-19	1-Apr-19	
Punjab	Bhatinda	J-34	4790	4730	60
	Abohar	J-34	4790	4760	30
	Mansa	J-34	4750	4750	Unch
Haryana	Sirsa	J-34	4720	4685	35
Rajasthan	Sri-Ganganagar	J-34	4418	4324	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	2-Apr-19	1-Apr-19	
Gujarat	Ahmedabad	Shankar-6	34000	Closed	-
	Gondal	Shankar-6	137	187	-50
	Rajkot	B.T. Cotton	1700	1200	500
	Patan	B.T. Cotton	3572	2826	746
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	59	Closed	-
Haryana	Bhiwani	B.T. Cotton	500	800	-300
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	425	595	-170
	Fatehabad	B.T. Cotton	200	250	-50
	Jind	B.T. Cotton	201	NR	-
	Uchana	B.T. Cotton	1250	1525	-275
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	150	150	Unch
	Rawatsar	B.T. Cotton	400	NR	-
Madhya Pradesh	Khandwa	Mech-1	590	790	-200

	Khargaon	Mech-1	805	NR	-
Maharashtra	Amravati	Mech-1	14000	13000	1000
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	1496	2320	-824
	Hubli	D.C.H.	NA	66	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	277	389	-112
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	2-Apr-19	1-Apr-19	
Punjab	Bhatinda	J-34	2550	2550	Unch
	Abohar	J-34	340	340	Unch
	Mansa	J-34	510	1020	-510
Haryana	Sirsa	J-34	680	1190	-510
Rajasthan	Sri-Ganganagar	J-34	1000	2000	-1000

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	2-Apr-19	1-Apr-19	
Gujarat	Rajkot	Rs. /10 Kg.	740	730	10
Delhi	New Delhi	Rs. /10 Kg.	702	702	Unch
Telangana	Hyderabad	Rs. /10 Kg.	720	710	10
Maharashtra	Mumbai	Rs. /10 Kg.	740	742	-2

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	2-Apr-19	1-Apr-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2452	2461	-9
Maharashtra	Akola	Rs./Qtl	2390	2386	4

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				1-Apr-19	31-Mar-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41500	40400	1100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42000	40900	1100

J-34(202)	26mm	3.5 - 4.9	23	45100	41200	3900
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43500	40600	2900
Shankar-6(105)	29mm	3.5 - 4.9	28	44800	42200	2600
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	46000	43300	2700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	47100	44500	2600
DCH-32(107)	34mm	3.0 - 3.8	33	55000	50000	5000

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

Index	Unit	2-Apr-19	1-Apr-19	Change
CCIndex(328)	RMB/Ton	15629	#N/A	-
CCIndex(527)	RMB/Ton	14653	#N/A	-
CCIndex(229)	RMB/Ton	16057	#N/A	-

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

China Foreign Cotton (FCE) Index :

Index	Unit	2-Apr-19	1-Apr-19	Change
FC Index (S)	Cents/lb	92.09	92.28	-0.19
FC Index (M)	Cents/lb	87.22	87.45	-0.23
FC Index (L)	Cents/lb	85.17	85.45	-0.28

Cotlook Index:

Cotlook Indices	Unit	1-Apr-19	31-Mar-19	Change
A-Index	Cents/Pound	87.05	#N/A	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		1-Apr-19	1-Apr-19	Bales
Southeast	cents/lb.	74.11	76.36	0
North Delta	cents/lb.	72.86	74.61	0
South Delta	cents/lb.	72.86	74.61	0
East TX-OK	cents/lb.	71.11	73.61	4608
West Texas	cents/lb.	71.11	73.86	1415
Desert SW	cents/lb.	70.11	74.11	0
SJ Valley	cents/lb.	70.61	79.51	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 02-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 Mon April 01, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190401	77.73	77.88	77.18	77.36	-0.25	16,636	92,691	-1,288
19-Jul	190401	78	78.62	77.92	78.21	-0.1	9,771	62,328	2,633
19-Oct	190401	76.45	76.45	76.45	76.45	0.47	0	8	0
19-Dec	190401	75.4	75.95	75.08	75.92	0.48	3,599	62,297	536
20-Mar	190401	76.15	76.64	76.15	76.63	0.53	199	8,477	90
20-May	190401	76.48	76.87	76.39	76.87	0.54	8	451	-1
Total Volume and Open Interest							30,273	228,436	2,011

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