

Domestic Fundamentals:**Market Outlook:**

Cotton prices expected to stay firm as the crop has been short by 10-12% over last year and due to exports demand from International markets especially from China. Moreover, raising domestic demand and procurement by CCI also support prices. Currently prices are ruling above MSP which depicts that the traders are actively procuring cotton at competitive rates. However reports of CCI started selling of its stock from last week of March may keep prices in range.

News: Daily arrivals have declined to about 80,000-90,000 bales as against 1.3 lakh bales last year. So far about 42 lakh bales have been exported, some 2 lakh bales have been exported to Bangladesh. Another 40 lakh bales have been exported to Vietnam, China and Bangladesh, among others. Another 5-6 lakh bales are expected to be exported, according to reports. Due to higher prices, export contracts have taken a halt. But the target of 50 lakh bales will be achieved with China and Bangladesh as key destinations by September, 2019.

The arrivals for 2018-19 season reached 25.03 million bales as of March 26th down 4.6% on y-o-y, as per the Cotton Corporation of India (CCI). Weather forecasts predict that the southwest monsoon rains during the June- September period are expected to be below normal, mainly attributed to the El-nino phenomenon. An 80% chance of EL- nino during March-May and 60% chance during Jun-Aug is predicted.

On April 2, market arrivals stood at 75,000 bales as against 1.35 lakh bales on the same day last year. There has been a sharp decline in market arrivals in recent weeks.

India's marketing year (MY) 2019/20 cotton production estimate is 29.3 million 480 lb. bales on 12.45 million hectares. Yields are expected to rebound in most of the states after an erratic monsoon last year.

According to CCI, market arrivals of cotton stood at 254 lakh bales of 170 kg each till 1st April against a target of 328 lakh bales this season. Further decline has been seen as on April 2, market arrivals stood at 75,000 bales as against 1.35 lakh bales on the same day last year.

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.

Weather Forecast for tomorrow:

The Western Disturbance as an upper air trough lies over North Pakistan and adjoining parts of Jammu and Kashmir. An upper air trough is extending from southern parts of Haryana to Chhattisgarh across southern parts of Uttar Pradesh and eastern parts of Madhya Pradesh. The Cyclonic Circulation lies over Southwest Jharkhand and adjoining parts of Gangetic West Bengal. Another Cyclonic Circulation lies over Meghalaya and adjoining parts of Assam. An upper air trough/ wind discontinuity is extending from Vidarbha to Tamil Nadu across Marathwada and Karnataka.

International Fundamentals:

The front-month cotton contract on ICE Futures U.S., settled up 0.27 cent, or 0.4 percent, at 77.32 cents per lb. It traded within a range of 76.85 and 77.8 cents a lb. ICE cotton futures rose on Thursday, ending three straight sessions of decline, supported by a strong federal export sales report released earlier in the day.

The cotton market finished higher Thursday amid a strong showing in USDA's weekly sales and exports. Combining both crop years, sales totaled some 475,000 bales where China was a net buyer in both seasons. Additionally, weekly exports found to be over 400,000 bales. Such demand power continues to under-gird the market.

U.S. export sales for the week totaled a net of 489,600 bales (Upland 473,200/Pima 16,400) for 2018-19 and 2019-20. And negotiations between the U.S. and China toward resolving ongoing trade disputes moved to Washington this week resulting in hopeful news.

World trade is expected to increase to 42.3 million bales in 2018-19, the highest level since 2012-13's record. Production will exceed consumption in 2019-20, raising world stocks slightly by 1 million bales. World cotton consumption in 2018-19 is expected to reach 123.6 million bales, growing 0.9 percent from the previous year, to the highest level since 2007-08.

Consumption in China is projected to increase 1% to 8.5 million tonnes in 2019-20. Consumption is expected to grow in Vietnam by 3% to 1.6 million tonnes. Consumption in China is projected to increase 1% to 8.5 million tonnes. Consumption is expected to grow in Vietnam by 3% to 1.6 million tonnes in the coming season.

Area increases are expected in the major producing countries including the United States, China, India and Pakistan as well as in several West African countries. Area in Pakistan is projected to reach nearly 3 million hectares with strong support by the government to increase production. Area in India is forecast to reach over 12 million hectares this season with yields unlikely to rise above 500 kg/ha due to expected damage from pink bollworm as a likely consequence of an extended crop season.

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%.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Apr	0.56	22420	22540	22160	22340	3818	-1836	15257	-136
19-May	0.56	22660	22790	22440	22630	1900	-266	4223	575

Spread	Mar-19		-	-	--	--
Spot	-250		-	-	-	-
Apr-19			-	-	-	-

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

* Updated at as on 08-Apr- 2019@5pm

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	8-Apr-19	6-Apr-19	
Gujarat	Ahmedabad	Shankar-6	6375	6375	Unch
	Gondal	Shankar-6	6430	6350	80
	Rajkot	B.T. Cotton	6410	6415	-5
	Patan	B.T. Cotton	6315	6385	-70
	Kadi	B.T. Cotton	6500	6550	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	6070	6070	Unch
Haryana	Bhiwani	B.T. Cotton	6500	6500	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6300	6350	-50
	Fatehabad	B.T. Cotton	6270	6325	-55
	Jind	B.T. Cotton	6350	6300	50
	Uchana	B.T. Cotton	6375	6355	20
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6370	6350	20
	Rawatsar	B.T. Cotton	6300	6200	100
Madhya Pradesh	Khandwa	Mech-1	6300	6300	Unch
	Khargaon	Mech-1	6150	6335	-185
Maharashtra	Amravati	Mech-1	6400	6400	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	6589	NA	-
	Hubli	D.C.H.	6071	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6200	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	8-Apr-19	6-Apr-19	
Punjab	Bhatinda	J-34	4910	4900	10
	Abohar	J-34	4940	4935	5
	Mansa	J-34	4880	4880	Unch
Haryana	Sirsa	J-34	4840	4850	-10
Rajasthan	Sri-Ganganagar	J-34	4512	4418	94

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	8-Apr-19	6-Apr-19	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	457	490	-33
	Rajkot	B.T. Cotton	3400	2400	1000
	Patan	B.T. Cotton	3614	3505	109
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	62	34	28
Haryana	Bhiwani	B.T. Cotton	400	200	200
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	340	340	Unch
	Fatehabad	B.T. Cotton	100	250	-150
	Jind	B.T. Cotton	145	260	-116
	Uchana	B.T. Cotton	1200	1050	150
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	155	100	55
	Rawatsar	B.T. Cotton	50	200	-150
Madhya Pradesh	Khandwa	Mech-1	325	300	25
	Khargaon	Mech-1	20	149	-129
Maharashtra	Amravati	Mech-1	2500	1500	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	1539	NA	-
	Hubli	D.C.H.	48	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	397	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	8-Apr-19	6-Apr-19	
Punjab	Bhatinda	J-34	1700	2040	-340
	Abohar	J-34	340	255	85
	Mansa	J-34	425	340	85
Haryana	Sirsa	J-34	170	340	-170
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	8-Apr-19	6-Apr-19	
Gujarat	Rajkot	Rs. /10 Kg.	750	740	10
Delhi	New Delhi	Rs. /10 Kg.	730	718	12
Telangana	Hyderabad	Rs. /10 Kg.	720	720	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	752	752	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	8-Apr-19	6-Apr-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2588	2591	-3
Maharashtra	Akola	Rs./Qtl	2461	2472	-11

Cotton Association of India Spot Rates:

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

INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	8-Apr-19	6-Apr-19	Change
CCIndex(328)	RMB/Ton	15636	Closed	-
CCIndex(527)	RMB/Ton	14680	Closed	-
CCIndex(229)	RMB/Ton	16060	Closed	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	8-Apr-19	6-Apr-19	Change
FC Index (S)	Cents/lb	92.44	Closed	-
FC Index (M)	Cents/lb	87.64	Closed	-
FC Index (L)	Cents/lb	85.6	Closed	-

Cotlook Index:

Cotlook Indices	Unit	6-Apr-19	5-Apr-19	Change
A-Index	Cents/Pound	Closed	86.9	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		6-Apr-19	6-Apr-19	Bales
Southeast	cents/lb.	Closed	Closed	Closed
North Delta	cents/lb.	Closed	Closed	Closed
South Delta	cents/lb.	Closed	Closed	Closed
East TX-OK	cents/lb.	Closed	Closed	Closed
West Texas	cents/lb.	Closed	Closed	Closed
Desert SW	cents/lb.	Closed	Closed	Closed
SJ Valley	cents/lb.	Closed	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 08-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 Fri April 05, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190405	77.32	78.48	77.05	78.25	0.93	15,407	81,041	-2,352
19-Jul	190405	77.77	78.96	77.76	78.59	0.58	10,217	67,671	817
19-Oct	190405	77.29	77.29	77.29	77.29	0.38	0	12	0
19-Dec	190405	76.22	76.93	76.04	76.89	0.6	5,336	70,213	1,684
20-Mar	190405	76.69	77.32	76.69	77.25	0.56	506	9,169	284
20-May	190405	77	77.34	77	77.34	0.55	50	450	1
Total Volume and Open Interest							31,652	231,003	475

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