

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: The CAI has estimated cotton crop for 2018-19 at 321 lakh bales of 170 kgs each which is lower by 7 lakh bales than its previous estimate of 328 lakh bales made during last month. The CAI has reduced the crop estimate for Gujarat by 1 lakh bales, Maharashtra by 80,000 bales, Telangana by 4 lakh bales, Andhra Pradesh by 1 lakh bales and Karnataka by 75,000 bales whereas there is marginal increase of 50,000 bales in Tamil Nadu and 5,000 bales in the State of Orissa.

Andhra pegs 2018-19 cotton crop 1.44 mln bales vs 2.04 mln bales yr ago due to lower acreage and yields. In Jun-Sep, Andhra Pradesh received 443.1 mm rainfall, 12% below normal. Villages in Anantapur district have been declared drought-hit, and major parts of Kadapa, Kurnool, Chittoor, Prakasam and Nellore witnessed scanty and deficient rainfall.

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.

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:

Cotton futures are currently 22 to 51 points higher. They were 30 to 67 points higher in most contracts on Monday, helped by a weaker US dollar. The new USDA Adjusted World Price (AWP) is 68.22 cents/lb through Thursday.

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	22280	22350	22180	22240	2492	-1326	14706	-551
19-May	0.56	22570	22620	22460	22520	1108	-792	4714	491

Spread	Mar-19		-	-	--	--
Spot	-270		-	-	-	-
Apr-19			-	-	-	-

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

* Updated at as on 09-Apr- 2019@5pm

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	9-Apr-19	8-Apr-19	
Gujarat	Ahmedabad	Shankar-6	6350	6375	-25
	Gondal	Shankar-6	6355	6430	-75
	Rajkot	B.T. Cotton	6355	6410	-55
	Patan	B.T. Cotton	6250	6315	-65
	Kadi	B.T. Cotton	6550	6500	50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5940	6070	-130
Haryana	Bhiwani	B.T. Cotton	6400	6500	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6250	6300	-50
	Fatehabad	B.T. Cotton	6260	6270	-10
	Jind	B.T. Cotton	6500	6350	150
	Uchana	B.T. Cotton	6275	6375	-100
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6300	6370	-70
	Rawatsar	B.T. Cotton	6200	6300	-100
Madhya Pradesh	Khandwa	Mech-1	6300	6300	Unch
	Khargaon	Mech-1	6150	6150	Unch
Maharashtra	Amravati	Mech-1	6350	6400	-50
	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	6631	6589	42
	Hubli	D.C.H.	NA	6071	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6380	6200	180
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Apr-19	8-Apr-19	
Punjab	Bhatinda	J-34	4900	4910	-10
	Abohar	J-34	4890	4940	-50
	Mansa	J-34	4850	4880	-30
Haryana	Sirsa	J-34	4825	4840	-15
Rajasthan	Sri-Ganganagar	J-34	4512	4512	Unch

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Apr-19	8-Apr-19	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	913	457	456
	Rajkot	B.T. Cotton	3500	3400	100
	Patan	B.T. Cotton	4145	3614	531
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	33	62	-29
Haryana	Bhiwani	B.T. Cotton	300	400	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	340	1020
	Fatehabad	B.T. Cotton	200	100	100
	Jind	B.T. Cotton	340	145	196
	Uchana	B.T. Cotton	250	1200	-950
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	15	155	-140
	Rawatsar	B.T. Cotton	500	500	Unch
Madhya Pradesh	Khandwa	Mech-1	325	325	Unch
	Khargaon	Mech-1	20	20	Unch
Maharashtra	Amravati	Mech-1	1600	2500	-900
	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	1788	1539	249
	Hubli	D.C.H.	NA	48	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	105	397	-292
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-Apr-19	8-Apr-19	
Punjab	Bhatinda	J-34	1700	1700	Unch
	Abohar	J-34	425	340	85
	Mansa	J-34	510	425	85
Haryana	Sirsa	J-34	170	170	Unch
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	9-Apr-19	8-Apr-19	
Gujarat	Rajkot	Rs. /10 Kg.	750	750	Unch
Delhi	New Delhi	Rs. /10 Kg.	725	730	-5
Telangana	Hyderabad	Rs. /10 Kg.	720	720	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	760	752	8

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	9-Apr-19	8-Apr-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2566	2588	-22
Maharashtra	Akola	Rs./Qtl	2451	2461	-10

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				8-Apr-19	6-Apr-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42200	40400	1800
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42700	40900	1800
J-34(202)	26mm	3.5 - 4.9	23	46100	41200	4900
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	45000	40600	4400
Shankar-6(105)	29mm	3.5 - 4.9	28	46200	42200	4000
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47500	43300	4200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48500	44500	4000

DCH-32(107)	34mm	3.0 - 3.8	33	56500	50000	6500
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INTERNATIONAL PRICES AND INDICES**China Cotton Index:**

Index	Unit	9-Apr-19	8-Apr-19	Change
CCIndex(328)	RMB/Ton	15639	15636	3
CCIndex(527)	RMB/Ton	14681	14680	1
CCIndex(229)	RMB/Ton	16061	16060	1
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	9-Apr-19	8-Apr-19	Change
FC Index (S)	Cents/lb	92.91	92.44	0.47
FC Index (M)	Cents/lb	88.11	87.64	0.47
FC Index (L)	Cents/lb	86.13	85.6	0.53

Cotlook Index:

Cotlook Indices	Unit	8-Apr-19	6-Apr-19	Change
A-Index	Cents/Pound	87.8	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		8-Apr-19	8-Apr-19	Bales
Southeast	cents/lb.	75.67	77.92	0
North Delta	cents/lb.	74.42	76.17	0
South Delta	cents/lb.	74.42	76.17	0
East TX-OK	cents/lb.	72.67	74.92	8718
West Texas	cents/lb.	72.67	75.42	9203
Desert SW	cents/lb.	71.92	75.92	0
SJ Valley	cents/lb.	72.42	81.32	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 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 Mon April 08, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190408	78.39	79.08	77.85	78.92	0.67	14,261	77,629	-3,412
19-Jul	190408	78.76	79.17	78.26	79	0.41	12,074	70,571	2,900
19-Oct	190408	77.59	77.59	77.59	77.59	0.3	0	12	0
19-Dec	190408	76.9	77.34	76.64	77.16	0.27	4,238	71,203	990
20-Mar	190408	77.36	77.7	77.29	77.53	0.28	144	9,234	65
20-May	190408	77.6	77.6	77.6	77.6	0.26	6	450	0
Total Volume and Open Interest							30,814	231,636	633

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