

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: According to CAI, cotton exports for the season (October 2018-September 2019) estimated a decline to 47 lakh bales, against last year's estimated 69 lakh bales. This dip is attributed to the higher prices and smaller crop size of Indian cotton. The imports this year are likely to be higher at 27 lakh bales, against last year's estimated 15 lakh bales.

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 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 trading 12 to 21 points higher. They were down 15 to 83 point losses in most contracts on Tuesday. The monthly WASDE report from USDA indicated 18/19 US ending stocks of cotton up 100,000 bales from March to 4.4 million bales on a cut to domestic usage. The 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	22160	22210	22060	22120	2875	383	13699	-1007
19-May	0.56	22400	22480	22330	22400	1496	388	5438	-724

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

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

* Updated at as on 10-Apr- 2019@5pm

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	10-Apr-19	9-Apr-19	
Gujarat	Ahmedabad	Shankar-6	6350	6350	Unch
	Gondal	Shankar-6	6255	6355	-100
	Rajkot	B.T. Cotton	6305	6355	-50
	Patan	B.T. Cotton	6225	6250	-25
	Kadi	B.T. Cotton	6500	6550	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5975	5940	35
Haryana	Bhiwani	B.T. Cotton	6410	6400	10
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	6250	-
	Fatehabad	B.T. Cotton	6250	6260	-10
	Jind	B.T. Cotton	6460	6500	-40
	Uchana	B.T. Cotton	6210	6275	-65
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6235	6300	-65
	Rawatsar	B.T. Cotton	6050	6200	-150
Madhya Pradesh	Khandwa	Mech-1	6400	6300	100
	Khargaon	Mech-1	6130	6150	-20
Maharashtra	Amravati	Mech-1	6375	6350	25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	6100	NR	-
Karnataka	Bijapur	Bunny	6659	6631	28
	Hubli	D.C.H.	NA	5659	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6411	6380	31
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	10-Apr-19	9-Apr-19	
Punjab	Bhatinda	J-34	4870	4900	-30
	Abohar	J-34	4870	4890	-20
	Mansa	J-34	4850	4850	Unch
Haryana	Sirsa	J-34	4800	4825	-25
Rajasthan	Sri-Ganganagar	J-34	4465	4512	-47

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	10-Apr-19	9-Apr-19	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	796	913	-117
	Rajkot	B.T. Cotton	4000	3500	500
	Patan	B.T. Cotton	4280	4145	135
	Kadi	B.T. Cotton	20000	20000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	36	33	3
Haryana	Bhiwani	B.T. Cotton	200	300	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	Closed	1360	-
	Fatehabad	B.T. Cotton	50	200	-150
	Jind	B.T. Cotton	595	340	255
	Uchana	B.T. Cotton	600	250	350
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	135	15	120
	Rawatsar	B.T. Cotton	200	500	-300
Madhya Pradesh	Khandwa	Mech-1	90	325	-235
	Khargaon	Mech-1	165	20	145
Maharashtra	Amravati	Mech-1	1200	1600	-400
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	15520	NR	-

Karnataka	Bijapur	Bunny	2137	1788	349
	Hubli	D.C.H.	NA	2	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	315	105	210
Commodity		Lint		Arrivals (Quintal)	
State	Centre	Variety	10-Apr-19	9-Apr-19	Change
Punjab	Bhatinda	J-34	1700	1700	Unch
	Abohar	J-34	255	425	-170
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	170	170	Unch
Rajasthan	Sri-Ganganagar	J-34	500	500	Unch

Cotton Seed Oil Prices:

Commodity		Cotton Seed Oil		Price	
State	Centre	Unit	10-Apr-19	9-Apr-19	Change
Gujarat	Rajkot	Rs. /10 Kg.	743	750	-7
Delhi	New Delhi	Rs. /10 Kg.	720	725	-5
Telangana	Hyderabad	Rs. /10 Kg.	720	720	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	760	760	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity		Cotton Seed Oil Seed Cake		Price	
State	Centre	Unit	10-Apr-19	9-Apr-19	Change
Gujarat	Mahesana (Kadi)	Rs./Qtl	2557	2566	-9
Maharashtra	Akola	Rs./Qtl	2468	2451	17

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				9-Apr-19	8-Apr-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42000	40400	1600
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42500	40900	1600
J-34(202)	26mm	3.5 - 4.9	23	45900	41200	4700
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44900	40600	4300
Shankar-6(105)	29mm	3.5 - 4.9	28	46100	42200	3900
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47400	43300	4100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48400	44500	3900

DCH-32(107)	34mm	3.0 - 3.8	33	56400	50000	6400
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INTERNATIONAL PRICES AND INDICESChina Cotton Index:

Index	Unit	10-Apr-19	9-Apr-19	Change
CCIndex(328)	RMB/Ton	15642	15639	3
CCIndex(527)	RMB/Ton	14693	14681	12
CCIndex(229)	RMB/Ton	16061	16061	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	10-Apr-19	9-Apr-19	Change
FC Index (S)	Cents/lb	92.39	92.91	-0.52
FC Index (M)	Cents/lb	87.59	88.11	-0.52
FC Index (L)	Cents/lb	85.41	86.13	-0.72

Cotlook Index:

Cotlook Indices	Unit	9-Apr-19	8-Apr-19	Change
A-Index	Cents/Pound	88.35	87.8	0.55

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		9-Apr-19	9-Apr-19	Bales
Southeast	cents/lb.	74.84	77.09	0
North Delta	cents/lb.	73.59	75.34	0
South Delta	cents/lb.	73.59	75.34	0
East TX-OK	cents/lb.	71.84	74.09	3955
West Texas	cents/lb.	71.84	74.59	1706
Desert SW	cents/lb.	71.09	75.09	0
SJ Valley	cents/lb.	71.59	80.49	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 09-Apr-2019				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8800	160	8860
Equivalent	40 Kgs	9431	171	9602

Daily Futures Price Listing Tue April 09, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190409	78.88	79.31	77.57	78.09	-0.83	22,971	70,436	-7,193
19-Jul	190409	78.78	79.57	77.93	78.47	-0.53	19,726	75,301	4,730
19-Oct	190409	77.34	77.34	77.34	77.34	-0.25	0	12	0
19-Dec	190409	77	77.43	76.25	76.89	-0.27	7,334	73,675	2,472
20-Mar	190409	77.2	77.78	76.97	77.38	-0.15	224	9,294	60
20-May	190409	77.58	77.58	77.14	77.48	-0.12	3	451	1
Total Volume and Open Interest							50,286	231,728	92

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