

Domestic Fundamentals:**Market Outlook:**

Cotton prices expected to remain firm as the crop has been short by 700,000 bales in production estimate this year and due to exports demand from International markets especially from China. Moreover, China has announced import quota of 800,000 ton (47 lakh bales) of cotton and as many as 500,000 bales for direct mill sales which may further increase the prices in coming days. The benchmark Shankar-6 variety prices moved up by Rs.3000 in the past one month alone and is now trading between 46,300 to 46,650/candy (356kg).

News: The weekly export sales report showed net sales for both marketing years, 2018-19 and 2019-20, at 527,700 bales. This included current year sales of 289,000 bales of Upland and 30,200 of Pima. Vietnam, India and China were major buyers.

India expect to see a year-over-year increase of 7%, Brazil too is looking to produce some 12.5 million bales, or a 5% jump. Pakistan's crop is expected to increase some 6.7% regarding global production for 2019.

The cotton output this year is likely to decline by 27% to 82 lakh bales lowest since 2008 despite of higher than normal sowing against last year's output of 105 lakh bales in Gujarat, the largest producer of natural fibre in India. This is due to scanty of rainfall in the major cotton producing areas reducing the per hectare yield to 532kg from 619kg in the previous year.

Total cotton supply projected is 290.00 lakh bales of 170 kgs each during the period from October 2018 to March 2019 which consists of the arrival of 255.83 lakh bales upto 31st March 2019, imports of 6.17 lakh bales upto 31st March 2019 and the opening stock at the beginning of the season at 28 lakh bales.

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. 45,900 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.

Weather Forecast for tomorrow:

Rain and thundershowers with strong winds will occur over Jammu and Kashmir, Himachal Pradesh and Uttarakhand. Dust storm and thundershowers with squally winds will be occurring over many places of Punjab, Haryana, Delhi, West Uttar Pradesh, Gujarat, Madhya Pradesh and Maharashtra. Spell of light to moderate rains is expected over Sikkim and northeastern states except Tripura and Manipur. Rain and thundershowers will occur over scattered places in Coastal Karnataka and Kerala. Chhattisgarh, Odisha, Telangana and North Andhra Pradesh will also witness isolated rains.

International Fundamentals:

Cotton futures are trading 8 points lower to 18 points higher to start the week. They saw 60 to 174 point gains in the front months on Friday. Total export commitments for upland cotton did gain a little ground vs. a year ago last week, now down 12.5%. The Cotlook A Index was down 50 points at 87.20 on April 11. The weekly AWP was updated to 69.21, 99 points higher than the previous week.

Total export commitments for upland cotton did gain a little ground against a year ago last week, now down 12.5%. USDA's projected 15 million bale projected export total is now 95% achieved via total commitments, matching the average pace. Chinese imports were raised by 500,000 bales, while Turkey imports were trimmed by 200,000 bales. Indian exports were cut by 300,000 bales, with Australia up 200,000 bales.

U.S. export sales exploded with more than 500,000 bales booked during the prior week. USDA did release its April world supply demand report which was seemingly bearish, but was totally faded by the market. China needs an additional 800,000 bales for its reserve program and as many as 500,000 bales for direct mill sales.

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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Apr	0.56	22320	22430	22030	22260	4070	2489	11439	-1797
19-May	0.56	22610	22730	22330	22560	3390	2463	8441	2395

Spread	Mar-19		-	-	--	--
Spot	-300		-	-	-	-
Apr-19			-	-	-	-

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

* Updated at as on 14-Apr- 2019@5pm

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	15-Apr-19	12-Apr-19	
Gujarat	Ahmedabad	Shankar-6	6300	6250	50
	Gondal	Shankar-6	6330	6255	75
	Rajkot	B.T. Cotton	6325	6285	40
	Patan	B.T. Cotton	6455	6165	290
	Kadi	B.T. Cotton	6550	6400	150
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5855	5755	100
Haryana	Bhiwani	B.T. Cotton	6400	6400	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6320	6225	95
	Fatehabad	B.T. Cotton	6270	Closed	-
	Jind	B.T. Cotton	NR	Closed	-
	Uchana	B.T. Cotton	6200	Closed	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6370	6250	120
	Rawatsar	B.T. Cotton	6150	6065	85
Madhya Pradesh	Khandwa	Mech-1	6400	6375	25
	Khargaon	Mech-1	6200	6140	60
Maharashtra	Amravati	Mech-1	6400	6500	-100

	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	6050	6050	Unch
Karnataka	Bijapur	Bunny	6669	6609	60
	Hubli	D.C.H.	6259	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6400	6411	-11
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	15-Apr-19	12-Apr-19	
Punjab	Bhatinda	J-34	4910	4825	85
	Abohar	J-34	4940	4850	90
	Mansa	J-34	4900	4825	75
Haryana	Sirsa	J-34	4870	4780	90
Rajasthan	Sri-Ganganagar	J-34	4512	4475	38

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	15-Apr-19	12-Apr-19	
Gujarat	Ahmedabad	Shankar-6	34000	34000	Unch
	Gondal	Shankar-6	606	606	Unch
	Rajkot	B.T. Cotton	2800	3400	-600
	Patan	B.T. Cotton	2420	4730	-2310
	Kadi	B.T. Cotton	15000	20000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	37	28	9
Haryana	Bhiwani	B.T. Cotton	100	200	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	425	340	85
	Fatehabad	B.T. Cotton	125	Closed	-
	Jind	B.T. Cotton	NR	Closed	-
	Uchana	B.T. Cotton	650	Closed	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	800	1800	-1000
	Rawatsar	B.T. Cotton	400	300	100
Madhya Pradesh	Khandwa	Mech-1	165	288	-123
	Khargaon	Mech-1	540	170	370
Maharashtra	Amravati	Mech-1	2000	1500	500
	Jamner	Medium Staple	NA	NA	-

Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	8340	9510	-1170
Karnataka	Bijapur	Bunny	1911	1982	-71
	Hubli	D.C.H.	86	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	157	150	7
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	15-Apr-19	12-Apr-19	
Punjab	Bhatinda	J-34	1700	1700	Unch
	Abohar	J-34	340	255	85
	Mansa	J-34	340	510	-170
Haryana	Sirsa	J-34	510	NA	-
Rajasthan	Sri-Ganganagar	J-34	100	200	-100

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	15-Apr-19	12-Apr-19	
Gujarat	Rajkot	Rs. /10 Kg.	730	730	Unch
Delhi	New Delhi	Rs. /10 Kg.	710	710	Unch
Telangana	Hyderabad	Rs. /10 Kg.	720	720	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	748	755	-7

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	15-Apr-19	12-Apr-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2569	2536	33
Maharashtra	Akola	Rs./Qtl	2468	2470	-2

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				12-Apr-19	11-Apr-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41900	40400	1500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42400	40900	1500
J-34(202)	26mm	3.5 - 4.9	23	45700	41200	4500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44700	40600	4100
Shankar-6(105)	29mm	3.5 - 4.9	28	45900	42200	3700
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47200	43300	3900
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48200	44500	3700
DCH-32(107)	34mm	3.0 - 3.8	33	56200	50000	6200

INTERNATIONAL PRICES AND INDICES

China Cotton Index:

Index	Unit	15-Apr-19	12-Apr-19	Change
CCIndex(328)	RMB/Ton	15653	15643	10
CCIndex(527)	RMB/Ton	14697	14697	Unch
CCIndex(229)	RMB/Ton	16073	16068	5
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	15-Apr-19	12-Apr-19	Change
FC Index (S)	Cents/lb	92.35	91.6	0.75
FC Index (M)	Cents/lb	87.52	86.88	0.64
FC Index (L)	Cents/lb	85.47	84.62	0.85

Cotlook Index:

Cotlook Indices	Unit	12-Apr-19	11-Apr-19	Change
A-Index	Cents/Pound	86.7	87.2	-0.50

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		12-Apr-19	12-Apr-19	Bales
Southeast	cents/lb.	74.86	77.11	0
North Delta	cents/lb.	73.61	75.36	0
South Delta	cents/lb.	73.61	75.36	0
East TX-OK	cents/lb.	71.86	74.11	6049
West Texas	cents/lb.	71.86	74.61	3700

Desert SW	cents/lb.	71.11	75.11	0
SJ Valley	cents/lb.	71.61	80.51	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 13-Apr-2019				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8800	160	8960
Equivalent	40 Kgs	9431	171	9602

Daily Futures Price Listing Fri April 12, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190412	76.98	78.65	76.88	78.11	1.13	22,494	44,009	-7,142
19-Jul	190412	77.78	79.32	77.56	78.86	1.12	20,639	83,809	2,758
19-Oct	190412	78.77	78.95	78.68	78.68	1.74	18	22	10
19-Dec	190412	76.59	77.75	76.46	77.19	0.6	6,648	78,343	1,614
20-Mar	190412	77	78.08	77	77.53	0.4	685	9,788	399
20-May	190412	77.64	77.99	77.38	77.38	0.09	62	522	-2
Total Volume and Open Interest							50,866	219,456	-2,082

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