

**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 at 46,500/candy (356kg).

**News:** All India daily cotton arrivals are reported to be about 75'000 bales according to CAI. Active import business continued for West African & US origins. India remains in the market for U.S. cotton which support prices to remain high and China, Vietnam and Turkey were major buyers.

**According to CAI, the balance sheet projects total cotton supply of 37.60 million bales, a domestic consumption of 31.60 million bales, exports of 4.70 million bales and a carry-over stock of 1.3 million bales. New crop planting started in some areas of North India. Good availability of canal water and better prices of seed cotton in the current season against competing crops will likely favor cotton sowing in North India.**

**India's cotton crop production may fall 7.87 per cent to 343 lakh bales (of 170 kg each) in the 2018-19 season, mainly due to drought in many cotton-growing regions, as per estimates released Monday by Confederation of Indian Textile Industry (CITI). The domestic textile industry body based the projections on actual data collected from cotton-growing areas for the October-September 2018 crop season.**

**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 26<sup>th</sup> 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 1<sup>st</sup> 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.

### **Weather Forecast for tomorrow:**

Isolated thunderstorms accompanied with hail & gusty winds (wind speed reaching 40-50 kmph) are likely over Telangana during next 48 hours and over Odisha during next 24 hours. Thunderstorms and gusty winds (speed reaching 30-40 kmph and at times 40-50 kmph) are likely over Kerala, Tamilnadu, Andhra Pradesh, Telangana, Rayalseema, south Chhattisgarh, Jharkhand and West Bengal & Sikkim occasionally during next 5 days. Day maximum temperatures are likely to rise by 2-4°C over northwest and central India during next 3 days, which may cause heat wave conditions at isolated places over Rajasthan between 21st to 23rd April, 2019.

### **International Fundamentals:**

**Cotton futures closed 61 to 80 points lower on Thursday.** The Cotlook A Index was up 150 points at 87.75 on April 17. The new weekly Average World Price (AWP) is 68.88, down 33 points from the previous week. USDA reports suggest that Chinese cotton imports will rise 200,000 MT to 2.0 MMT in 2019/20 and that Egyptian imports will rise 2% for the same year due to sharply reduced 2019 plantings.

**USDA showed that 7% of the US cotton crop has been planted as of 4/14**, according to the weekly Crop Progress report. That is even with the average but behind the 8% from last year. The Cotlook A Index was down 50 points at 86.70 on April 12. The weekly Average World Price (AWP) is 69.21, 99 points higher than the previous week and effective through Thursday.

**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.

**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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Apr	0.56	22270	22320	22140	22300	2956	1033	9041	-265
19-May	0.56	22560	22610	22440	22600	2720	1035	10251	435

Spread	Mar-19		-	-	--	--
Spot	-290		-	-	-	-
Apr-19			-	-	-	-

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

\* Updated at as on 19-Apr- 2019@5pm

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	20-Apr-19	19-Apr-19	
Gujarat	Ahmedabad	Shankar-6	6250	Closed	-
	Gondal	Shankar-6	6205	Closed	-
	Rajkot	B.T. Cotton	6230	Closed	-
	Patan	B.T. Cotton	NR	Closed	-
	Kadi	B.T. Cotton	6500	6400	100
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5915	5895	20
Haryana	Bhiwani	B.T. Cotton	6250	6350	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6250	6270	-20
	Fatehabad	B.T. Cotton	6200	6200	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	6160	6200	-40
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6300	6340	-40
	Rawatsar	B.T. Cotton	6180	6200	-20
Madhya Pradesh	Khandwa	Mech-1	6350	6350	Unch
	Khargaon	Mech-1	6290	6290	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	6000	6025	-25
Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6360	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	20-Apr-19	19-Apr-19	
Punjab	Bhatinda	J-34	4970	4950	20
	Abohar	J-34	4970	4960	10
	Mansa	J-34	4925	4925	Unch
Haryana	Sirsa	J-34	4900	4890	10
Rajasthan	Sri-Ganganagar	J-34	4536	4536	Unch

**Cotton Arrivals in Key Centers:**

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	20-Apr-19	19-Apr-19	
Gujarat	Ahmedabad	Shankar-6	28900	Closed	-
	Gondal	Shankar-6	732	Closed	-
	Rajkot	B.T. Cotton	3600	Closed	-
	Patan	B.T. Cotton	NR	Closed	-
	Kadi	B.T. Cotton	15000	20000	-5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	37	21	16
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	255	255	Unch
	Fatehabad	B.T. Cotton	150	200	-50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	250	250	Unch
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	500	600	-100
	Rawatsar	B.T. Cotton	550	300	250
Madhya Pradesh	Khandwa	Mech-1	40	40	Unch
	Khargaon	Mech-1	1230	1230	Unch
Maharashtra	Amravati	Mech-1	2500	2800	-300
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	1600	2620	-1020

Karnataka	Bijapur	Bunny	NA	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	225	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	20-Apr-19	19-Apr-19	
Punjab	Bhatinda	J-34	850	1020	-170
	Abohar	J-34	213	170	43
	Mansa	J-34	85	170	-85
Haryana	Sirsa	J-34	170	340	-170
Rajasthan	Sri-Ganganagar	J-34	50	50	Unch

**Cotton Seed Oil Prices:**

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	20-Apr-19	19-Apr-19	
Gujarat	Rajkot	Rs. /10 Kg.	735	735	Unch
Delhi	New Delhi	Rs. /10 Kg.	715	705	10
Telangana	Hyderabad	Rs. /10 Kg.	725	725	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	750	750	Unch

**Cotton Seed Oil Seed Cake Prices:**

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	20-Apr-19	19-Apr-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2536	2536	Unch
Maharashtra	Akola	Rs./Qtl	2449	2449	Unch

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				19-Apr-19	18-Apr-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42300	40400	1900
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42800	40900	1900
J-34(202)	26mm	3.5 - 4.9	23	46300	41200	5100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	46200	40600	5600
Shankar-6(105)	29mm	3.5 - 4.9	28	46200	42200	4000
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47600	43300	4300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48600	44500	4100
DCH-32(107)	34mm	3.0 - 3.8	33	55400	50000	5400

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

Index	Unit	20-Apr-19	19-Apr-19	Change
CCIndex(328)	RMB/Ton	Closed	15671	-
CCIndex(527)	RMB/Ton	Closed	14712	-
CCIndex(229)	RMB/Ton	Closed	16093	-

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

**China Foreign Cotton (FCE) Index :**

Index	Unit	20-Apr-19	19-Apr-19	Change
FC Index (S)	Cents/lb	Closed	91.93	-
FC Index (M)	Cents/lb	Closed	87.25	-
FC Index (L)	Cents/lb	Closed	84.83	-

**Cotlook Index:**

Cotlook Indices	Unit	19-Apr-19	18-Apr-19	Change
A-Index	Cents/Pound	NR	88.25	-

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		19-Apr-19	19-Apr-19	Bales
Southeast	cents/lb.	NR	NR	NR
North Delta	cents/lb.	NR	NR	NR
South Delta	cents/lb.	NR	NR	NR
East TX-OK	cents/lb.	NR	NR	NR
West Texas	cents/lb.	NR	NR	NR
Desert SW	cents/lb.	NR	NR	NR
SJ Valley	cents/lb.	NR	NR	NR

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 17-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 19, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
<a href="#">19-May</a>	190418	78.32	78.32	77.03	77.31	-0.8	8,922	12,554	-4,157
<a href="#">19-Jul</a>	190418	78.87	79.04	77.77	78.27	-0.69	24,725	97,502	1,112
<a href="#">19-Oct</a>	190418	77.23	77.23	77.23	77.23	-0.51	1	47	-1
<a href="#">19-Dec</a>	190418	77.22	77.45	76.55	77.05	-0.36	9,406	86,728	-608
<a href="#">20-Mar</a>	190418	77.2	77.21	76.8	77.09	-0.27	1,036	10,109	123
<a href="#">20-May</a>	190418	76.5	76.77	76.5	76.77	-0.19	298	786	41
Total Volume and Open Interest							45,513	212,509	-2,390

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