

**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 46,600/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:**

A low pressure area is likely to develop over Equatorial Indian Ocean and adjoining southwest Bay of Bengal to the southeast of Sri Lanka around 25th April. It is likely to intensify into a depression during subsequent 48 hours. It is very likely to move northwestwards towards Tamilnadu coast across east coast of Srilanka. Isolated thunderstorms with gusty wind (wind speed reaching 50-60 kmph) likely over Coastal Andhra Pradesh and Tamilnadu during next 24 hours. Heat wave conditions are likely in isolated pockets over Vidarbha, Madhya Pradesh and Rajasthan from 24th onwards.

### **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	22180	22260	22110	22150	4135	1179	7429	-1612
19-May	0.56	22480	22560	22410	22450	3487	767	11802	1551

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

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

\* Updated at as on 22-Apr- 2019@5pm

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	22-Apr-19	20-Apr-19	
Gujarat	Ahmedabad	Shankar-6	6250	6250	Unch
	Gondal	Shankar-6	6230	6205	25
	Rajkot	B.T. Cotton	6355	6230	125
	Patan	B.T. Cotton	6250	6155	95
	Kadi	B.T. Cotton	6500	6500	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5755	5915	-160
Haryana	Bhiwani	B.T. Cotton	6200	6250	-50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6330	6250	80
	Fatehabad	B.T. Cotton	6200	6200	Unch
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	6070	6160	-90
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6270	6300	-30
	Rawatsar	B.T. Cotton	6200	6180	20
Madhya Pradesh	Khandwa	Mech-1	6150	6350	-200
	Khargaon	Mech-1	6270	6290	-20
Maharashtra	Amravati	Mech-1	6400	6350	50
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	6000	6000	Unch
Karnataka	Bijapur	Bunny	6619	6609	10
	Hubli	D.C.H.	4500	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	6360	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	22-Apr-19	20-Apr-19	
Punjab	Bhatinda	J-34	4960	4970	-10
	Abohar	J-34	4975	4970	5
	Mansa	J-34	4945	4925	20
Haryana	Sirsa	J-34	4940	4900	40
Rajasthan	Sri-Ganganagar	J-34	4559	4536	24

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	22-Apr-19	20-Apr-19	
Gujarat	Ahmedabad	Shankar-6	25500	28900	-3400
	Gondal	Shankar-6	588	732	-144
	Rajkot	B.T. Cotton	2400	3600	-1200
	Patan	B.T. Cotton	4701	3000	1701
	Kadi	B.T. Cotton	20000	15000	5000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	23	37	-14
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	255	255	Unch
	Fatehabad	B.T. Cotton	100	150	-50
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	45	250	-205
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	160	500	-340
	Rawatsar	B.T. Cotton	50	550	-500
Madhya Pradesh	Khandwa	Mech-1	15	40	-25
	Khargaon	Mech-1	1165	1230	-65
Maharashtra	Amravati	Mech-1	2000	2500	-500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	1980	1600	380

Karnataka	Bijapur	Bunny	1328	705	623
	Hubli	D.C.H.	6	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	225	-
Commodity		Lint		Arrivals (Quintal)	
State	Centre	Variety	22-Apr-19	20-Apr-19	Change
Punjab	Bhatinda	J-34	170	850	-680
	Abohar	J-34	170	213	-43
	Mansa	J-34	NA	85	-
Haryana	Sirsa	J-34	NA	170	-
Rajasthan	Sri-Ganganagar	J-34	110	50	60

**Cotton Seed Oil Prices:**

Commodity		Cotton Seed Oil		Price	
State	Centre	Unit	22-Apr-19	20-Apr-19	Change
Gujarat	Rajkot	Rs. /10 Kg.	740	735	5
Delhi	New Delhi	Rs. /10 Kg.	715	715	Unch
Telangana	Hyderabad	Rs. /10 Kg.	730	725	5
Maharashtra	Mumbai	Rs. /10 Kg.	750	750	Unch

**Cotton Seed Oil Seed Cake Prices:**

Commodity		Cotton Seed Oil Seed Cake		Price	
State	Centre	Unit	22-Apr-19	20-Apr-19	Change
Gujarat	Mahesana (Kadi)	Rs./Qtl	2556	2536	20
Maharashtra	Akola	Rs./Qtl	2461	2449	12

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				21-Apr-19	20-Apr-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	#N/A	40400	-
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	#N/A	40900	-
J-34(202)	26mm	3.5 - 4.9	23	#N/A	41200	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	#N/A	40600	-
Shankar-6(105)	29mm	3.5 - 4.9	28	#N/A	42200	-
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	#N/A	43300	-
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	#N/A	44500	-
DCH-32(107)	34mm	3.0 - 3.8	33	#N/A	50000	-

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

Index	Unit	22-Apr-19	20-Apr-19	Change
CCIndex(328)	RMB/Ton	15693	Closed	-
CCIndex(527)	RMB/Ton	14738	Closed	-
CCIndex(229)	RMB/Ton	16106	Closed	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

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

Index	Unit	22-Apr-19	20-Apr-19	Change
FC Index (S)	Cents/lb	91.93	Closed	-
FC Index (M)	Cents/lb	87.25	Closed	-
FC Index (L)	Cents/lb	84.83	Closed	-

**Cotlook Index:**

Cotlook Indices	Unit	21-Apr-19	20-Apr-19	Change
A-Index	Cents/Pound	#N/A	Closed	-

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		21-Apr-19	21-Apr-19	Bales
Southeast	cents/lb.	#N/A	#N/A	#N/A
North Delta	cents/lb.	#N/A	#N/A	#N/A
South Delta	cents/lb.	#N/A	#N/A	#N/A
East TX-OK	cents/lb.	#N/A	#N/A	#N/A
West Texas	cents/lb.	#N/A	#N/A	#N/A
Desert SW	cents/lb.	#N/A	#N/A	#N/A
SJ Valley	cents/lb.	#N/A	#N/A	#N/A

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 20-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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