

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 an average price of 46,550/candy (356kg).

News: Indian importers have booked nearly 19 lakh bales while export is just at 40 lakh bales. Net Outflow of cotton is near 20 lakh bales against last year's above 50 lakh bales. Indian consumers are regularly booking imports as their long-term strategy. Indian physical market remain range bound as ginner are holding good stock so now selling further arrivals in the market provides liquidity at regular pace and also some profit booking of investors.

Maharashtra Commission for Agricultural Costs & Prices are expecting to raise the minimum support price of cotton by 10 % and in the same lines CCI also told that there is a possibility of at least 10% increase in MSP for cotton in the coming kharif season.

International Cotton Advisory Committee (ICAC), the apex cotton body in their April 2019 report, have projected a 6% rise in global production for 2019-20 at 276 lakh tonne.

The largest producer among the southern states, Telangana's total cotton output is seen falling 19% on year to 4.1 mln bales in 2018-19 season due to sharp fall in yields led by moisture deficiency after scanty rains. The cotton yield expected to decline to 381kg/ha from 451 kg in the previous year.

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 form 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.

Weather Forecast for tomorrow:

According to IMD, India is likely to receive a "near normal" South-West monsoon this year but its onset over Kerala could be delayed owing to the prevailing El Nino conditions in the Pacific Ocean. El Nino may impact the onset of the monsoon over Kerala. But it's a weak El Nino. Moreover, the temperature anomaly in the Pacific is expected to come down by July. Forecaster predicted that the chances of rainfall being either above normal or excess are remote. The national weather forecaster will issue its second stage forecast in the first week of June.

International Fundamentals:

The most-active cotton contract on ICE Futures U.S. July settled down 0.75 cent, or 0.97 percent, at 76.95 cents per lb. ICE cotton futures fell 1 percent to touch a two-week low on Monday, as weather conditions across the U.S. cotton growing areas improved for harvesting the natural fiber crop. The second-month contract fell to its lowest level since April 15 at 76.85 per cents. NASS reported that 11% of the US cotton crop has been planted as of 4/28, an increase of 2% from the previous week. The Cotlook A Index was up 125 points at 87.70 on April 26. The weekly Average World Price (AWP) is 68.68.

Mixed trend was seen in international cotton market after fluctuation. China hinted to import 8 lac tons bales which is approximately equal to 47 lac cotton bales while on the other hand China showed its interest of selling 10 lac bales from its old stock. The price of cotton in America remained between 76 to 78 American cent because the prices of cotton in America are linked with weather conditions and fluctuation in dollar price.

UPLAND Exports of 3,18,000 RB were down 7 percent from the previous week and 16 percent from the prior 4-week average. Exports were primarily to Vietnam (75,900 RB), Pakistan (43,400 RB), China (38,300 RB), Turkey (38,000 RB), and Bangladesh (26,200 RB).

According to the Federal Committee on Agriculture (FCA) of Pakistan, which set a cotton production target of 15 million bales for the year 2019-20 in Pakistan because it is hoped that sufficient amount of water will be available for the crop. The cotton will be sowed on an area of 2.895 million hectares.

The **Brazilian Association of Cotton Producers** forecast cotton acreage to grow to 1.4 million hectares (3.46 million acres). And China is the top market for Brazilian cotton, and a 25% tariff on U.S. cotton creates expectation that continued trade disruption between the U.S. and China will be an advantage to Brazil.

China has lowered its reserves and is expected to increase imports to 11.1 million bales, National Cotton Council (NCC) forecasts. The U.S. also is expected to increase cotton exports to 17.4 million bales in 2019.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-May	0.56	22420	22560	22370	22480	3898	412	15850	60
19-Jun	0.56	22670	22760	22580	22720	1591	-	4380	-

Spread	Mar-19		-	-	--	--
Spot	-200		-	-	-	-
Apr-19			-	-	-	-

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

* Updated at as on 30-Apr- 2019@5pm

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	30-Apr-19	29-Apr-19	
Gujarat	Ahmedabad	Shankar-6	6250	6300	-50
	Gondal	Shankar-6	6205	6205	Unch
	Rajkot	B.T. Cotton	6220	6225	-5
	Patan	B.T. Cotton	6265	6255	10
	Kadi	B.T. Cotton	6350	6400	-50
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5680	5750	-70
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6270	6280	-10
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	6110	6110	Unch
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6450	6425	25
	Rawatsar	B.T. Cotton	6200	6200	Unch
Madhya Pradesh	Khandwa	Mech-1	6400	6330	70
	Khargaon	Mech-1	6320	6315	5
Maharashtra	Amravati	Mech-1	6450	6450	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-

Telangana	Adilabad	Un-Ginned	NR	6050	-
Karnataka	Bijapur	Bunny	6669	6671	-2
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6300	6000	300
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	30-Apr-19	29-Apr-19	
Punjab	Bhatinda	J-34	4960	4970	-10
	Abohar	J-34	4960	4970	-10
	Mansa	J-34	4930	4940	-10
Haryana	Sirsa	J-34	4890	4900	-10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	30-Apr-19	29-Apr-19	
Gujarat	Ahmedabad	Shankar-6	20400	20400	Unch
	Gondal	Shankar-6	438	294	144
	Rajkot	B.T. Cotton	1200	1100	100
	Patan	B.T. Cotton	2990	3910	-920
	Kadi	B.T. Cotton	15000	15000	Unch
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	2	38	-36
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	213	1020	-808
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	100	100	Unch
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	1200	825	375
	Rawatsar	B.T. Cotton	200	220	-20
Madhya Pradesh	Khandwa	Mech-1	250	130	120
	Khargaon	Mech-1	975	765	210
Maharashtra	Amravati	Mech-1	1800	1300	500
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	1940	-

Karnataka	Bijapur	Bunny	883	1084	-201
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	52	105	-53
Commodity		Lint		Arrivals (Quintal)	
State	Centre	Variety	30-Apr-19	29-Apr-19	Change
Punjab	Bhatinda	J-34	425	425	Unch
	Abohar	J-34	43	26	17
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	170	170	Unch
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity		Cotton Seed Oil		Price	
State	Centre	Unit	30-Apr-19	29-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.	720	720	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	750	750	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity		Cotton Seed Oil Seed Cake		Price	
State	Centre	Unit	30-Apr-19	29-Apr-19	Change
Gujarat	Mahesana (Kadi)	Rs./Qtl	2585	2606	-21
Maharashtra	Akola	Rs./Qtl	2530	2536	-6

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				29-Apr-19	27-Apr-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	NR	40400	-
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	NR	40900	-
J-34(202)	26mm	3.5 - 4.9	23	NR	41200	-
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	NR	40600	-
Shankar-6(105)	29mm	3.5 - 4.9	28	NR	42200	-
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	NR	43300	-

MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	NR	44500	-
DCH-32(107)	34mm	3.0 - 3.8	33	NR	50000	-

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

Index	Unit	30-Apr-19	29-Apr-19	Change
CCIndex(328)	RMB/Ton	15643	15671	-28
CCIndex(527)	RMB/Ton	14723	14735	-12
CCIndex(229)	RMB/Ton	16070	16091	-21
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	30-Apr-19	29-Apr-19	Change
FC Index (S)	Cents/lb	NR	NR	-
FC Index (M)	Cents/lb	NR	NR	-
FC Index (L)	Cents/lb	NR	NR	-

Cotlook Index:

Cotlook Indices	Unit	29-Apr-19	27-Apr-19	Change
A-Index	Cents/Pound	87.2	Closed	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		29-Apr-19	29-Apr-19	Bales
Southeast	cents/lb.	73.7	75.95	0
North Delta	cents/lb.	72.45	74.2	0
South Delta	cents/lb.	72.45	74.2	0
East TX-OK	cents/lb.	70.7	72.95	1067
West Texas	cents/lb.	70.7	73.45	107
Desert SW	cents/lb.	69.95	73.95	0
SJ Valley	cents/lb.	70.45	79.35	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 29-Apr-2019				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	9000	160	9160
Equivalent	40 Kgs	9645	171	9816

Daily Futures Price Listing Mon April 29, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-May	190429	76.07	76.15	76.07	76.13	-0.62	21	275	-69
19-Jul	190429	77.7	78.09	76.85	76.95	-0.75	15,598	98,652	-611
19-Oct	190429	76.14	76.14	75.56	75.56	-0.78	1	53	0
19-Dec	190429	76.27	76.66	75.57	75.62	-0.57	7,387	93,846	-280
20-Mar	190429	76.64	76.96	76.04	76.07	-0.46	693	11,309	-134
20-May	190429	76.72	76.76	76	76	-0.4	251	889	-3
Total Volume and Open Interest							24,413	211,834	-785

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