

**Domestic Fundamentals:****Market Outlook:**

**Cotton prices expected to remain steady for few coming days until the new crop arrives.** The international markets showed some progress as President Trump have made proposal to Chinese President Xi Jinping for a meeting in G20 Summit to resolve the trade disputes among US and China but again it loosed the momentum and prices moved down. The bench market mandi (Rajkot) price for variety Shankar 6 was stood Rs.45,350/per candy. The market currently seems supported and may consolidate around the current levels.

**News: Maharashtra finally covered with rain showers today.** The monsoon is crucial for cotton sowing, therefore, Maharashtra would pick up the pace in sowing which was 0.12% behind last week. The area is expected to increase by 5% (2019-20) in the state.

**Restricted cotton sowing due to delay in monsoon has affected the planting progress in India.** Till June 21<sup>st</sup>, around 18.2 lakh ha have been sowed declined from 20.7 lakh ha (12.08% less) in 2018-19. If monsoon is delayed more than 10 days, then cotton yield would be affected for the coming season crop.

**Inventory of cotton yarn mills declined recently due to much lower operating rate at 45% than the average in previous year.** Many small plants shut down and medium to large plants declined the production. With cotton price rising, offers of cotton yarn tend to be stable. Cotton yarn price is expected hard to increase in short run. At present, downstream orders are sluggish and procurement for rigid demand is also weak. Market may improve until any positive negotiation between China and US happens.

**Textile exports in May declined 1.94% to \$1.624 billion as against \$1.656 billion in May 2018** and, for the first two months in April-May, it declined 3.55% to \$3.128 billion as compared to \$3.243 billion in 2018. Cotton yarn, fabs, made-ups, handloom products has reported a decline of 5.94% in May to \$885 million from \$941 million in May 2018. For the first two months of the current financial year, it declined by 5.89% to \$1.729 billion from \$1.837 billion in the same period last year which shows the textile industry has been hit adversely with lack of resources and low demand from international market.

**The Cotton Advisory board has projected this season imports at 22 Lakh bales whereas exports at 50 Lakh bales** with total crop of 337 Lakh bales against the CAI's estimation of 315 Lakh bales. Agriwatch is expecting the total imports may reach upto 25 Lakh bales with total crop production of 334.57 Lakh bales in 2018-19.

**The already sown cotton crop is experiencing heat stress due to late arrival of monsoon in North India** especially in Punjab, Haryana region. Although area in Haryana rose to 6.72 lakh ha compared to 6.56 lakh ha during the same period in the previous year. The southern and central cotton growing area farmers are waiting for the monsoon to arrive to start sowing as it is already delayed by 2 weeks. All over cotton sowing pace is already running behind by 10.42% compared to previous year as of now.

**Indian imports is in continuous process and still exports are on hold due to less parity.** US export sales were lower compared to previous week. Pre-monsoon showers has been started in northwest India in some areas of Rajasthan, Punjab, Haryana and Gujarat. Cotton sowing progress seems slow especially in Gujarat, Maharashtra, Telangana and Andhra Pradesh.

**High velocity wind and hailstorm which lashed the region late on Wednesday evening damaged the cotton crop in Bathinda and Mansa districts of Punjab. The cotton plants got damaged in over a dozen villages in both the cotton-producing districts due to hailstorm in Budhlada, Talwandi Sabo, Maur and Sangat areas.**

**All India daily arrivals stood at 6,600 bales up from previous day's total arrivals of 5600 bales. The arrivals are dwindling around the above range. Ginners and millers may start trade after onset of monsoon during which the prices may see bullish movement from last week of June.**

**As per the latest estimates of Skymet, overall average yield is about to take charge to about 449kg/ha higher from previous year's average yield although El nino is going to dominate this year but the most critical stage of cotton in August is expected to have good rainfall due to delay in monsoon which is going to help the cotton crop to gain good yield. Also the area is expected to increase by 2.7% compared to previous year.**

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

Moderate to heavy rains with one or two heavy spells are expected over Sub-Himalayan West Bengal and Sikkim, Assam, and Meghalaya. Light to moderate rains with one or two heavy spells is a possibility over Madhya Maharashtra, West Madhya Pradesh, Andaman and Nicobar Islands, Coastal Karnataka and Kerala. Whereas, scattered light to moderate rains will be seen over Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Bihar, rest northeastern states, Interior Karnataka and Coastal Andhra Pradesh.

### **International Fundamentals:**

**Cotton Showing Gains on Monday Cotton futures were 5 to 111 points higher on Monday. The Cotlook A index for June 20 was down 105 points from the previous day to 76.85 cents/lb. The weekly Average World Price (AWP) from USDA is 59.14 cents/lb through Thursday.**

**The weekly US Export Sales report showed old crop upland bookings at a net reduction of 119,275 RB in the week of June 13. New crop sales totaled 221,829 RB. Upland cotton shipments totaled 321,241 RB in that week, with 36,000 RB to China and 59,200 RB to India. Total upland commitments are now 110% of USDA's export projection, compared to the 104% average, as exports are behind normal pace (87%) at 80%. Earlier in the session, USDA reported net-negative sales of 119,000 bales against the Old Crop season. Turkey and China were huge cancelers of previously purchased cotton.**

**From May 5 to June 25, the cumulative turnover of reserve cotton was 322,000 tons, and the turnover rate was 84.34%. June 21st, the reserve cotton sales resources of 10821.2135 tons, the actual turnover of 10139.8465 tons, the turnover rate of 93.70%.**

**Conab's released a report revising the 2018-19 expected cotton output to 2.67 million tons, up 33.4 per cent compared to the previous season. Higher production estimates in Brazil are expected to increase by the increase in area which is up by 36.2 per cent. However, the average productivity is likely to dip by 2 per cent to 1,673 kilos per hectare. During the current cotton season from August 2018 to May 2019, Brazil exported the record volume of 1.2 million tons of cotton.**

**According to the Director General Agriculture (Extension) of Pakistan, the sowing for this season till 1<sup>st</sup> June was completed on 2.44 million ha and due to severe water shortage of water cotton was sowed on only 2.43 million ha in 2018-19 season.**

**NASS reported that US cotton acres were 89% planted by Sunday, 5% behind the normal pace. The crop was 19% squared on that date, 1% ahead of normal.**

*The China Cotton Association has petitioned the central government for waiver of tariffs on US cotton last week. The continuous drought situation has made China to request for waiver. China's agriculture ministry has estimated 2019 production at 21.15 million bales against USDA's June projection of 27.75 million bales.*

*The weekly Export Sales report from USDA showed just 75,110 RB in old crop upland sales, down from last week but more than double the same week last year. Increased sales were to India which purchased 30,400 RB, with 25,200 RB for Vietnam whereas the reductions took place for China 5,600RB and Mexico 2,000RB. New crop totaled just 42,959 RB. Shipments totaled 360,361 RB, a jump of 16.78% from last week but down 21.65% from the same week last year.*

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Jun	170	21940	22150	21880	22020	1265	534	7594	-376
19-Jul	190	21480	21570	21300	21500	1345	490	7341	128
19-Aug	140	21400	21420	21100	21370	187	3	2022	-43

Spread	19-Jun	19-Jul	19-Aug	19-Sep	--	--
Spot					-	-
19-Jun	580	-	-	-	-	-
19-Jul	-	150	-	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 25th June @ 5.30 pm

\* Updated at as on 25-June- 2019 @ 5:00 PM

### Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	25-Jun-19	24-Jun-19	
Gujarat	Ahmedabad	Shankar-6	6150	6250	-100
	Gondal	Shankar-6	6130	6180	-50
	Rajkot	B.T. Cotton	6160	6200	-40
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5875	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6050	6125	-75
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	6700	6700	Unch

	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	NA	6579	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	5990	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	25-Jun-19	24-Jun-19	
Punjab	Bhatinda	J-34	4820	4830	-10
	Abohar	J-34	4820	4840	-20
	Mansa	J-34	4780	4810	-30
Haryana	Sirsa	J-34	4790	4780	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	25-Jun-19	24-Jun-19	
Gujarat	Ahmedabad	Shankar-6	1700	1700	Unch
	Gondal	Shankar-6	51	103	-52
	Rajkot	B.T. Cotton	440	520	-80
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	3	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	170	255	-85
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	400	200	200
	Rawatsar	B.T. Cotton	NA	NA	-

Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	NA	999	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	15	-
Commodity		Lint	Arrivals (Quintal)		Change
State	Centre	Variety	25-Jun-19	24-Jun-19	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	25-Jun-19	24-Jun-19	
Gujarat	Rajkot	Rs. /10 Kg.	765	765	Unch
Delhi	New Delhi	Rs. /10 Kg.	730	722	8
Telangana	Hyderabad	Rs. /10 Kg.	722	722	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	768	768	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	25-Jun-19	24-Jun-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2896	2971	-75
Maharashtra	Akola	Rs./Qtl	2800	2872	-72

**Cotton Association of India Spot Rates:**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				24-Jun-19	22-Jun-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41200	41400	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41700	41900	-200
J-34(202)	26mm	3.5 - 4.9	23	45900	46000	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44600	44800	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	45100	45300	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47500	47700	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48400	48600	-200
DCH-32(107)	34mm	3.0 - 3.8	33	54300	54300	Unch

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

Index	Unit	25-Jun-19	24-Jun-19	Change
CCIndex(328)	RMB/Ton	14156	14155	1
CCIndex(527)	RMB/Ton	13171	13169	2
CCIndex(229)	RMB/Ton	14516	14516	Unch
RMB -Renminbi, 1RMB =0.16 \$U.S.				

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

Index	Unit	25-Jun-19	24-Jun-19	Change
FC Index (S)	Cents/lb	80.51	80.11	0.40
FC Index (M)	Cents/lb	76.52	76.52	Unch
FC Index (L)	Cents/lb	72.27	72.27	Unch

**Cotlook Index:**

Cotlook Indices	Unit	24-Jun-19	21-Jun-19	Change
A-Index	Cents/Pound	76.4	76.85	-0.45

**USDA Cotton Spot Rates:**

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		24-Jun-19	24-Jun-19	Bales
Southeast	cents/lb.	62.36	64.61	0
North Delta	cents/lb.	61.11	63.36	0
South Delta	cents/lb.	61.11	63.36	0

East TX-OK	cents/lb.	58.61	60.86	<b>6440</b>
West Texas	cents/lb.	58.61	61.36	<b>3161</b>
Desert SW	cents/lb.	57.61	61.61	<b>0</b>
SJ Valley	cents/lb.	58.11	67.01	<b>0</b>

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 24-June-2019				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8700	160	8860
Equivalent	40 Kgs	9324	171	9495

Daily Futures Price Listing Mon June 24, 2019										
Most Recent Information							Previous Day			
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change	
Cotton(ICE)										
<a href="#">19-Jul</a>	190624	61.75	62.79	61.75	62.3	1.11	7,572	2,096	-4,978	
<a href="#">19-Oct</a>	190624	64.86	65.57	64.86	65.36	0.63	81	152	30	
<a href="#">19-Dec</a>	190624	65.57	66.27	65.57	65.69	0.13	22,154	131,877	1,930	
<a href="#">20-Mar</a>	190624	66.21	67.03	66.21	66.44	0.05	3,743	25,148	509	
<a href="#">20-May</a>	190624	67.43	67.77	67.13	67.17	-0.02	486	3,509	31	
<a href="#">20-Jul</a>	190624	68.09	68.16	67.68	67.74	-0.06	67	3,943	-17	
Total Volume and Open Interest							34,184	176,222	-2,432	

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