

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.45,250/per candy. The market currently seems supported and may consolidate around the current levels.

News: The agriculture department in Bhatinda is targeting to increase the yield in the coming season for cotton from 888 kg/ha in 2018-19 to 920kg/ha in 2019-20 and would also bring the area to 1,40,000 ha in the year 2019-20. This year, the area was 91,000 ha. This would increase the yield of Punjab in the coming season as Bhatinda is one of the largest cotton growing districts of Punjab.

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 21st, 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 in both the cotton-producing districts due to hailstorm in 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.

Weather Forecast for tomorrow:

Heavy to very heavy rains are expected over parts of Assam and Meghalaya. While, light to moderate with isolated heavy spells is a possibility over rest Northeast India, Gujarat, Konkan and Goa, Coastal Karnataka and Andaman and Nicobar Islands. Scattered light to moderate rains stands a chance over West Madhya Pradesh, Madhya Maharashtra, Vidarbha, South Chhattisgarh, and Coastal Andhra Pradesh. Whereas, scattered light with one or two moderate spells will be seen over Interior Karnataka, Kerala, Tamil Nadu, Telangana, South Odisha, East Madhya Pradesh, Bihar, Sub-Himalayan West Bengal and Sikkim, Jammu and Kashmir, Himachal Pradesh and Uttarakhand.

International Fundamentals:

Cotton futures were down 10 points in nearby July but 3 to 29 points higher in most other front months. The Cotlook A index for June 24 was down 45 points from the previous day to 76.40 cents/lb. The weekly Average World Price (AWP) from USDA is 59.14 cents/lb through Thursday.

From May 5 to June 26, the cumulative turnover of reserve cotton was 332,500 tons, with a turnover rate of 84.67%. June 26th, the reserve cotton sales resources of 10,841.769tons, the actual turnover of 10432.7109 tons, the turnover rate of 96.23%.

Monday's crop progress report from the USDA showed cotton crop was 96% planted in the week to June 23, more than the 89% reported for the previous week, however less than the five-year average of 98%. USDA expects the planting may reach upto 13.74 million acres slightly lower than previous estimates released in March 13.8 million acres. This declined is particularly attributed towards extreme weather conditions in different states of US.

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.

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 1st 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.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Jun	170	21940	22130	21920	21980	816	-449	7308	-286
19-Jul	190	21360	21690	21350	21380	1529	184	7384	43
19-Aug	140	21180	21380	21120	21190	72	-115	2022	0

Spread	19-Jun	19-Jul	19-Aug	19-Sep	--	--
Spot					-	-
19-Jun	440	-	-	-	-	-
19-Jul	-	310	-	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 26th June @ 5.30 pm

* Updated at as on 26-June- 2019 @ 5:00 PM

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	26-Jun-19	25-Jun-19	
Gujarat	Ahmedabad	Shankar-6	6125	6150	-25
	Gondal	Shankar-6	6130	6130	Unch
	Rajkot	B.T. Cotton	6100	6160	-60
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6025	6050	-25
	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	6650	6700	-50
	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	6530	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6025	NA	-
Commodity		Lint	Prices (Rs./Maund)		Change
State	Centre	Variety	26-Jun-19	25-Jun-19	
Punjab	Bhatinda	J-34	4800	4820	-20
	Abohar	J-34	4820	4820	Unch
	Mansa	J-34	4790	4780	10
Haryana	Sirsa	J-34	4760	4790	-30
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	26-Jun-19	25-Jun-19	
Gujarat	Ahmedabad	Shankar-6	1700	1700	Unch
	Gondal	Shankar-6	96	51	45
	Rajkot	B.T. Cotton	620	440	180
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	NA	NA	-
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	170	170	Unch
	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	200	400	-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	761	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	22	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	26-Jun-19	25-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	26-Jun-19	25-Jun-19	
Gujarat	Rajkot	Rs. /10 Kg.	770	765	5
Delhi	New Delhi	Rs. /10 Kg.	725	730	-5
Telangana	Hyderabad	Rs. /10 Kg.	727	722	5
Maharashtra	Mumbai	Rs. /10 Kg.	765	768	-3

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	26-Jun-19	25-Jun-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2954	2896	58
Maharashtra	Akola	Rs./Qtl	2826	2800	26

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				25-Jun-19	24-Jun-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	41200	41200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41700	41700	Unch
J-34(202)	26mm	3.5 - 4.9	23	45700	45900	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44400	44600	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	45000	45100	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47500	47500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48400	48400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	55000	54300	700

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

Index	Unit	26-Jun-19	25-Jun-19	Change
CCIndex(328)	RMB/Ton	14159	14156	3
CCIndex(527)	RMB/Ton	13166	13171	-5
CCIndex(229)	RMB/Ton	14519	14516	3
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	26-Jun-19	25-Jun-19	Change
FC Index (S)	Cents/lb	NR	80.51	-
FC Index (M)	Cents/lb	NR	76.52	-
FC Index (L)	Cents/lb	NR	72.27	-

Cotlook Index:

Cotlook Indices	Unit	25-Jun-19	24-Jun-19	Change
A-Index	Cents/Pound	76.4	76.4	Unch

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		25-Jun-19	25-Jun-19	Bales
Southeast	cents/lb.	62.65	64.9	0
North Delta	cents/lb.	61.4	63.65	0



South Delta	cents/lb.	61.4	63.65	0
East TX-OK	cents/lb.	58.9	61.15	4557
West Texas	cents/lb.	58.9	61.65	704
Desert SW	cents/lb.	57.9	61.9	0
SJ Valley	cents/lb.	58.4	67.3	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 25-June-2019				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8500	160	8660
Equivalent	40 Kgs	9109	171	9280

Daily Futures Price Listing Tue June 25, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Jul	190625	62.43	62.55	61.8	62.2	-0.1	2,659	396	-1,700
19-Oct	190625	65.19	66.08	65.19	65.65	0.29	68	186	34
19-Dec	190625	65.71	66.21	65.68	65.72	0.03	14,758	132,381	504
20-Mar	190625	66.61	66.98	66.44	66.47	0.03	3,013	25,804	656
20-May	190625	67.34	67.7	67.29	67.34	0.17	306	3,563	54
20-Jul	190625	67.94	68.25	67.88	67.99	0.25	98	3,966	23
Total Volume and Open Interest							20,943	175,809	-413

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