

Domestic Fundamentals:**Market Outlook:**

Cotton prices expected to remain steady to firm 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: Around 15-20% more area is likely to be under herbicide resistant BT cotton in Maharashtra. Nearly 20-25 lakh hectare is expected to come under HT Bt variety of cotton this kharif. Nationally, around 40-45 lakh packets of HT Bt cotton seeds are reported to be in circulation, according to industry sources.

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. Ginnery 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:

Moderate to heavy rains with few very heavy showers of rain will occur over Assam and Meghalaya. Light to moderate rains will occur over rest northeastern states, Sub-Himalayan West Bengal and Sikkim. Light to moderate rains with few heavy spells are expected over Coastal Karnataka, Konkan & Goa, and Gujarat. Scattered light to moderate rains will occur in parts of Madhya Maharashtra, Kerala, Telangana, Coastal Andhra Pradesh, parts of Chhattisgarh, South Madhya Pradesh, Odisha, Rayalaseema, parts of Tamil Nadu Gangetic West Bengal, parts of Jharkhand. Isolated rains are likely over hills of North India and Rajasthan.

International Fundamentals:

Cotton futures were 58 to 129 point gains in most contracts on Wednesday. The Cotlook A index for June 25 was UNCH 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.

The weekly US Export Sales report showed total 118.82 lakh RB exported till 20th June'19 from the start of the season. Out of which 7.84 lakh RB have been exported to India and 5.43 lakh RB have to be exported in the coming months. Net Upland cotton shipments totaled 72,000 RB in the week ending 20th June, with reductions of 2,700 RB from China and 2,600 RB from Japan. This week export sales have been sluggish compared to previous week which may result as supporting factor for the international market for a while.

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 10,841.769 tons, 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 decline is particularly attributed towards extreme weather conditions in different states of US.

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	22340	22390	22010	22320	1517	701	6921	-387
19-Jul	190	21720	21740	21430	21720	1511	-18	7636	252
19-Aug	140	21450	21450	21150	21450	211	139	2076	54

Spread	19-Jun	19-Jul	19-Aug	19-Sep	--	--
Spot					-	-
19-Jun	650	-	-	-	-	-
19-Jul	-	290	-	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 27th June @ 5.30 pm

* Updated at as on 27-June- 2019 @ 5:00 PM

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	27-Jun-19	26-Jun-19	
Gujarat	Ahmedabad	Shankar-6	6150	6125	25
	Gondal	Shankar-6	6180	6130	50
	Rajkot	B.T. Cotton	6150	6100	50
	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	6025	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	6650	6650	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	6481	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6419	6025	394
Commodity		Lint	Prices (Rs./Maund)		Change
State	Centre	Variety	27-Jun-19	26-Jun-19	
Punjab	Bhatinda	J-34	4835	4800	35
	Abohar	J-34	4835	4820	15
	Mansa	J-34	4810	4790	20
Haryana	Sirsa	J-34	4770	4760	10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	27-Jun-19	26-Jun-19	
Gujarat	Ahmedabad	Shankar-6	1360	1700	-340
	Gondal	Shankar-6	82	96	-14
	Rajkot	B.T. Cotton	410	620	-210
	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	200	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	605	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	30	22	8
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	27-Jun-19	26-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	27-Jun-19	26-Jun-19	
Gujarat	Rajkot	Rs. /10 Kg.	775	770	5
Delhi	New Delhi	Rs. /10 Kg.	735	725	10
Telangana	Hyderabad	Rs. /10 Kg.	733	727	6
Maharashtra	Mumbai	Rs. /10 Kg.	768	765	3

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	27-Jun-19	26-Jun-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	2959	2954	5
Maharashtra	Akola	Rs./Qtl	2850	2826	24

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				26-Jun-19	25-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	45700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	44300	44400	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	45000	45000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	47300	47500	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	48400	48400	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	55300	55000	300

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

Index	Unit	27-Jun-19	26-Jun-19	Change
CCIndex(328)	RMB/Ton	NR	14159	-
CCIndex(527)	RMB/Ton	NR	13166	-
CCIndex(229)	RMB/Ton	NR	14519	-
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	27-Jun-19	26-Jun-19	Change
FC Index (S)	Cents/lb	81.25	80.51	0.74
FC Index (M)	Cents/lb	76.99	76.52	0.47
FC Index (L)	Cents/lb	73.02	72.27	0.75

Cotlook Index:

Cotlook Indices	Unit	26-Jun-19	25-Jun-19	Change
A-Index	Cents/Pound	76.45	76.4	0.05

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		26-Jun-19	26-Jun-19	Bales
Southeast	cents/lb.	63.32	65.57	0
North Delta	cents/lb.	62.07	64.32	0



South Delta	cents/lb.	62.07	64.32	0
East TX-OK	cents/lb.	59.57	61.82	942
West Texas	cents/lb.	59.57	62.32	171
Desert SW	cents/lb.	58.57	62.57	0
SJ Valley	cents/lb.	59.07	67.97	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 26-June-2019				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8400	160	8560
Equivalent	40 Kgs	9002	171	9173

Daily Futures Price Listing Wed June 26, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Jul	190626	64.46	64.46	63.49	63.49	1.29	154	295	-101
19-Oct	190626	65.7	67.59	65.7	66.32	0.67	52	174	-12
19-Dec	190626	65.69	67.6	65.57	66.39	0.67	14,380	131,251	-1,130
20-Mar	190626	66.52	68.2	66.25	67.05	0.58	2,299	26,341	537
20-May	190626	67.46	68.94	67.21	67.84	0.5	204	3,596	33
20-Jul	190626	68.27	69.47	68.15	68.41	0.42	90	4,001	35
Total Volume and Open Interest							17,296	175,217	-592

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