

Domestic Fundamentals:**Market Outlook:**

The bench market mandi (Rajkot) price for variety Shankar 6 stood Rs.43,850/per candy. The market currently seems weak and may consolidate around the current levels.

News: The Indian market remained firm at 81.13 (cents/lbs) compared to the international prices in US (63.02 cents/lbs) and Brazil stood at 65.6 cents/lbs, on the back of lower production in India this year the prices stood higher. Cotton prices would remain firm against international prices at least till the beginning of the next season (Oct'19) due to lower arrivals. On the other hand the domestic prices were expected to go up but it has fallen to Rs.43000/ candy against the beginning of the season which stood at Rs.46000/candy in the Indian market due to crash in demand amid US and China trade war despite the prevailing shortage conditions.

India's cotton imports is likely to surge at 25 to 28 lakh bales in 2018-19 against 15 lakh bales in previous year. Shortage of raw cotton has urged the textile mills to import cotton on large scale. Till July'19, around 14 lakh bales is expected to arrive out of the total contracted imports of 27 lakh bales for the season, while the remaining 10 -11 lakh bales is expected to arrive until the end of season in September month.

As on 26th July'19, the cotton crop area has been increased this year by 6.4% till now and reached 108.95 lakh ha than 102.51 lakh ha last year. The sowing is lagging behind in Karnataka, Telangana and AP by 0.39 lakh ha, 0.52 lakh ha and 0.93 lakh ha respectively whereas Gujarat, Punjab, Haryana and Rajasthan is leading by 0.66 lakh ha, 1.18 lakh ha, 0.11 lakh ha and 1.4 lakh ha respectively compared to corresponding period last year.

As on 24th July'19, area under cotton in Telangana is still slightly lagging behind by 0.52 lakh ha at 15.87 lakh ha and 16.23 lakh ha in the corresponding period last year. Similarly, in Andhra Pradesh also the area has declined to 2.29 lakh ha and which was 3.22 lakh ha in the previous year. The sowing is almost 70-90% completed in both the states and waiting for sufficient rainfall for its good vegetative growth.

Indian Cotton Federation (ICF) has pressurized CCI to release cotton lint stock as the Indian spinning mills are not able to get quality cotton to meet the demand for yarn production at market prices. As CCI is having 9.28 lakh bales with them and is offering higher price than the spot rate in the e-auction to support the spinning mills immediately.

Total MCX stock position stood as on 23rd July'19, stood at 1.26 lakh bales with 66,600 bales in Gujarat, 48,000 bales in Maharashtra and 13,000 bales in Telangana with total utilized capacity of 1,48,700 bales.

Due to waterlogging, the Punjab State Agriculture Department revealed that 90,563 acres of crop mainly cotton and paddy has been damaged. Bhatinda was the worst affected district bearing 31.5% of the total damage.

Good rains are hovering around the cotton belts covering all the states. In contrast, the heavy spell of rainfall in near district of Bhatinda, the cotton crop is in verge of being damaged as around 6,500 ha crop is lying in the stagnant water from last 2 to 3 days. If the crop remains submerged for more than 2-3 days, cotton crop would be damaged and could not survive as cotton has less water requirement.

As on 18th July'19, the cotton crop area has been increased this year by 3.9% till now and reached 96.35 lakh ha than 92.7 lakh ha last year. The sowing is lagging behind in Maharashtra, Telangana and AP by 1.8 lakh ha, 1.23 lakh ha and 0.74 lakh ha respectively whereas Gujarat, Punjab, Haryana and Rajasthan is leading by 4.2 lakh ha, 1.18 lakh ha, 0.11 lakh ha and 1.51 lakh ha respectively compared to corresponding period last year.

Around 61% cotton crop has been sown in AP and the area slide down to 1.55 lakh ha as on 17th July'19, 0.32% less compared to 2.28 lakh ha in 2018-19 and 0.39% down to normal area during the corresponding period. The area in

Telangana reached 13.53 ha till 17th July'19 slightly lower by 1.21 lakh ha in 2018-19 and down by 1.31 lakh ha to normal area during the same period.

Cotton yarn exports from India have fallen down by 22 per cent in the first quarter as decline in global demand and higher prevailing domestic cotton prices prevailing over the trade. The global cotton yarn demand is also under stress as GDP growth in China has fallen and there are similar trends in major cotton markets including Bangladesh. This year, yarn exports are down to China, Bangladesh, Pakistan and European markets. India is the worlds' largest exporter of cotton yarn and has major markets in China, Bangladesh, Pakistan, Vietnam and South Korea. The down trend in export of cotton yarn is worsened by low margins in Indian cotton market due to higher domestic prices.

Weather Forecast for tomorrow:

Moderate to heavy with one or two very heavy spells are expected over Konkan and Goa, North Coastal Karnataka, parts of Vidarbha, Marathwada, South Chhattisgarh, South Odisha, and North Telangana. Light to moderate with one or two heavy spells will be seen over Himachal Pradesh, Uttarakhand, northern districts of Punjab and Haryana, Assam, Meghalaya, and parts of Nagaland. Scattered light to moderate can be seen over Southeast Rajasthan, many parts of Madhya Pradesh, rest Chhattisgarh, some parts of Odisha, rest Telangana, rest Northeast India, Sub-Himalayan West Bengal, and Sikkim, Madhya Maharashtra and parts of South Gujarat. Light rains can be seen over rest parts of the country.

International Fundamentals:

Cotton futures saw 18 to 58 point losses in most contracts to close Monday. The Cotlook A index for July 26 was unchanged from the previous day at 75.40 cents/lb. The weekly AWP is 56.07 cents/lb, through Thursday.

From May 5 to July 30, the cumulative turnover of reserve cotton was 590,000 tons, and the turnover rate was 88.78%. The highest traded price 15930 Yuan/ton, the lowest turnover of 11530 Yuan/ton. On July 30th, 97.04% Of Total Put Auction at 10,314.5021 tons for sales. Average Transaction price was 12,510 Yuan/ton (Down by 45 Yuan/ton from the previous day). The discounted 3128 price was 13,863 yuan/ton (Up by 61 yuan/ton from the previous day).

The weekly crop progress report by US, showed that the crop condition is 60% good to excellent, better than last year's condition which just 43% was good. According to the report, US cotton crop is at 86% squared (87% avg.), and 45% was reported as setting bolls (48% avg.). The 15 cotton growing states in US planted 99% of 2018 cotton acreage in the week ending July 28th, 2019.

According to government of Pakistan, 14% growth have been witnessed under cotton cultivation this sowing season compared to the corresponding period last year in Pakistan. The crop had been cultivated over 2.65 million hectares of land across the cotton growing areas of the country. The sowing target has been set at 2.78 million hectares with 12.72 million bales for fulfilling the domestic requirements as well as for exporting the commodity.

Recently, China government has approved the textile industry to buy a total of 50,000 US cotton without any retaliatory tariffs. There could be more waivers on trade tariffs in the near future as the trade talks progress on Monday in China.

The US export sales data reveals that, the net sales were about 1,63,000 running bales this week significantly up from previous week and the exports were up by 3% at 318,000 RB. USDA now expects 14.5 million bales less than previous estimate of 15 million bales in the current season and 17 million bales of cotton exports is expected for the coming season in 2019-20.

According to the Pakistani market sources, trading activity improved as some needy mills showed interest in buying of fine quality cotton. The mills indulged in buying of quality cotton to keep a balance between demand and supply. Recent

monsoon rains caused damage of quality and quantity. Besides, locust and virus attacks hurt variety and quantity of cotton production, but very little. Pakistan has officially lowered its production projection to the equivalent of 9.9M 480lb bales, which is still significantly higher against 2018.

The US Export Sales report indicated that 54,034 RB of 2018-19 upland cotton was sold in the week that ended on July 11th which was more than 4 times the same week last year and 1% up from the previous week. Weekly shipments were shown at 310,285 RB, down by 7% from previous week as just 7,641 RB went to China and 36.5% larger than the same week last year. Lack of demand and the long-drawn trade dispute between the United States and China has pushed cotton prices down over 16% so far this year.

Pakistan has cut its cotton production estimate for 2019-20 as competition from other crops. The Pakistan food ministry reduced its target to 12.7 million bales of 170 kilograms for the year through March from 15 million bales previously for the 2019-20 season. Farmers have shifted to sugarcane from cotton because of higher government support prices, which have increased threefold in a decade. Also massive swarm of locusts has migrated from Iran to Pakistan. The government has deployed aircraft and spray-mounted vehicles to treat about 10,000 acres in Sindh province.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Jul	170	20900	20900	20710	20920	390	126	825	-304
19-Aug	190	20820	20830	20750	20860	778	-233	7537	140
19-Oct	140	20060	20090	20000	20130	37	-79	738	13

Spread	19-Jun	19-Jul	19-Aug	19-Sep	--	--
Spot					-	-
19-Jul	-	70	-	-	-	-
19-Aug	-	-	740	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 30th July @ 5.30 pm

* Updated at as on 30-July- 2019 @ 5:00 PM

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	30-Jul-19	29-Jul-19	
Gujarat	Ahmedabad	Shankar-6	6000	6200	-200
	Gondal	Shankar-6	Closed	5755	-
	Rajkot	B.T. Cotton	Closed	6105	-
	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	6160	6160	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	6400	6450	-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	6629	6581	48
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	30-Jul-19	29-Jul-19	
Punjab	Bhatinda	J-34	4610	4660	-50
	Abohar	J-34	4630	4660	-30
	Mansa	J-34	4650	4650	Unch
Haryana	Sirsa	J-34	4570	4590	-20
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas	Arrivals (Quintal)	Change
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State	Centre	Variety	30-Jul-19	29-Jul-19	
Gujarat	Ahmedabad	Shankar-6	850	680	170
	Gondal	Shankar-6	Closed	6	-
	Rajkot	B.T. Cotton	Closed	150	-
	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	NA	NA	-
	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	250	145	105
	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	108	108	Unch
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	30-Jul-19	29-Jul-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	30-Jul-19	29-Jul-19	
Gujarat	Rajkot	Rs. /10 Kg.	790	790	Unch

Delhi	New Delhi	Rs. /10 Kg.	760	760	Unch
Telangana	Hyderabad	Rs. /10 Kg.	Unq	Unq	-
Maharashtra	Mumbai	Rs. /10 Kg.	810	810	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	30-Jul-19	29-Jul-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3160	3167	-7
Maharashtra	Akola	Rs./Qtl	3107	3116	-9

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				29-Jul-19	27-Jul-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40900	40900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41400	41400	Unch
J-34(202)	26mm	3.5 - 4.9	23	44300	44300	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43200	43400	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	43700	43900	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45800	45800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	47200	47300	-100
DCH-32(107)	34mm	3.0 - 3.8	33	54500	54000	500

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

Index	Unit	30-Jul-19	29-Jul-19	Change
CCIndex(328)	RMB/Ton	14068	14071	-3
CCIndex(527)	RMB/Ton	13035	13042	-7
CCIndex(229)	RMB/Ton	14478	14485	-7
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	30-Jul-19	29-Jul-19	Change
FC Index (S)	Cents/lb	79.95	79.99	-0.04
FC Index (M)	Cents/lb	76.44	76.55	-0.11
FC Index (L)	Cents/lb	72.38	72.68	-0.30

Cotlook Index:

Cotlook Indices	Unit	29-Jul-19	27-Jul-19	Change
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A-Index

Cents/Pound

75.85

#N/A

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USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		29-Jul-19	29-Jul-19	Bales
Southeast	cents/lb.	60.77	63.02	0
North Delta	cents/lb.	59.52	61.77	0
South Delta	cents/lb.	59.52	61.77	0
East TX-OK	cents/lb.	57.77	60.02	2996
West Texas	cents/lb.	57.77	60.52	667
Desert SW	cents/lb.	56.02	60.02	0
SJ Valley	cents/lb.	56.52	65.42	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-July-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 Mon July 29, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Oct	190729	63.53	63.77	62.81	63.77	-0.47	18	232	2
19-Dec	190729	64.11	64.45	63.26	64.21	-0.33	9,055	137,112	157
20-Mar	190729	65.25	65.36	64.4	65.19	-0.27	2,487	36,424	245
20-May	190729	65.69	66.06	65.36	66.03	-0.15	378	4,761	41
20-Jul	190729	66.35	66.79	66.16	66.66	-0.15	310	5,045	-66
20-Oct	190729	65.87	65.87	65.87	65.87	-0.23			
Total Volume and Open Interest							12,702	196,588	575

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