

Domestic Fundamentals:**Market Outlook:**

The bench market mandi (Rajkot) price for variety Shankar 6 stood Rs.43,700/per candy. The market currently seems weak and may consolidate around the current levels.

News: According to the trade sources, in Vidarbha and north-western part of the State, cotton plant flowers have been found infested by pink bollworm. As most of the crop was affected by pink bollworm during 2018-19 season due to which the production has reduced down. The situation is not serious till now but the farmers are being warned as around 5% area was found infested in the area.

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:

Light to moderate with few heavy spells will be seen over parts of Konkan and Goa, parts of Vidarbha and North Telangana, Southeast Rajasthan, Punjab, and Haryana. Moderate rains with few light spells can be seen over South Gujarat, rest Konkan and Goa, parts of Coastal Karnataka, Marathwada, South Chhattisgarh, West Madhya Pradesh. Extreme western parts of Rajasthan, parts of Rayalaseema, South Interior Karnataka, Tamil Nadu and parts of Uttar Pradesh will witness dry weather conditions. Rest all places to record scattered light rains with one or two moderate spells.

International Fundamentals:

Cotton futures posted 76 to 93 point losses in most contracts on Tuesday. The Cotlook A index for July 29 was up 45 points from the previous day at 75.85 cents/lb. The weekly AWP is 56.07 cents/lb, through Thursday.

The cotton market remained bearish as trade talks between China and US seem to have failed. As president trump was outrageous as China didn't bought any US farm products as promised earlier by China in G20 meeting. Trump has decided to level an additional \$350 billion in new duties at the Chinese if no deal happens.

From May 5 to July 31, the cumulative turnover of reserve cotton was 600,000 tons (35.29 Lakh Bales), and the turnover rate was 88.79%. The highest traded price 15930 Yuan/ton, the lowest turnover of 11530Yuan/ton. On July 30th, 89.51% Of Total Put Auction at 9311.133 tons for sales. Average Transaction price was 12,478 Yuan/ton (Down by 32 Yuan/ton from the previous day). The discounted 3128 price was 13,407 yuan/ton (Down by 157 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	20580	20620	20470	20580	831	441	460	-365
19-Aug	190	20650	20760	20600	20660	966	188	7932	395
19-Oct	140	19900	19960	19860	19910	64	27	794	56

Spread	19-Jun	19-Jul	19-Aug	19-Sep	--	--
Spot					-	-
19-Jul	-	-140	-	-	-	-
19-Aug	-	-	800	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 31st July @ 5.30 pm

* Updated at as on 31-July- 2019 @ 5:00 PM

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	31-Jul-19	30-Jul-19	
Gujarat	Ahmedabad	Shankar-6	6100	6000	100
	Gondal	Shankar-6	6055	Closed	-
	Rajkot	B.T. Cotton	6075	Closed	-
	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	6140	6160	-20
	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	6400	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	6709	6629	80
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	NA	NA	-
Commodity	Lint		Prices (Rs./Maunder)		Change

State	Centre	Variety	31-Jul-19	30-Jul-19	
Punjab	Bhatinda	J-34	4560	4610	-50
	Abohar	J-34	4580	4630	-50
	Mansa	J-34	4580	4650	-70
Haryana	Sirsa	J-34	4530	4570	-40
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	31-Jul-19	30-Jul-19	
Gujarat	Ahmedabad	Shankar-6	340	850	-510
	Gondal	Shankar-6	51	Closed	-
	Rajkot	B.T. Cotton	80	Closed	-
	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	130	250	-120
	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	297	108	189
	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	31-Jul-19	30-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	31-Jul-19	30-Jul-19	
Gujarat	Rajkot	Rs. /10 Kg.	790	790	Unch
Delhi	New Delhi	Rs. /10 Kg.	755	760	-5
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	31-Jul-19	30-Jul-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3183	3160	23
Maharashtra	Akola	Rs./Qtl	3155	3107	48

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				30-Jul-19	29-Jul-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40800	40900	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41300	41400	-100
J-34(202)	26mm	3.5 - 4.9	23	43900	44300	-400
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43000	43200	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	43500	43700	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	45700	45800	-100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	47100	47200	-100
DCH-32(107)	34mm	3.0 - 3.8	33	54500	54500	Unch

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

Index	Unit	31-Jul-19	30-Jul-19	Change
CCIndex(328)	RMB/Ton	14067	14068	-1
CCIndex(527)	RMB/Ton	13036	13035	1
CCIndex(229)	RMB/Ton	14473	14478	-5

RMB -Renminbi, 1RMB =0.16 \$U.S.

China Foreign Cotton (FCE) Index :

Index	Unit	31-Jul-19	30-Jul-19	Change
FC Index (S)	Cents/lb	79.55	79.95	-0.40
FC Index (M)	Cents/lb	76.08	76.44	-0.36
FC Index (L)	Cents/lb	71.85	72.38	-0.53

Cotlook Index:

Cotlook Indices	Unit	30-Jul-19	29-Jul-19	Change
A-Index	Cents/Pound	75.6	75.85	-0.25

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		30-Jul-19	30-Jul-19	Bales
Southeast	cents/lb.	59.87	62.12	0
North Delta	cents/lb.	58.62	60.87	0
South Delta	cents/lb.	58.62	60.87	0
East TX-OK	cents/lb.	56.87	59.12	664
West Texas	cents/lb.	56.87	59.62	92
Desert SW	cents/lb.	55.12	59.12	0
SJ Valley	cents/lb.	55.62	64.52	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 30-July-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 Tue July 30, 2019

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Oct	190730	63.84	63.84	62.87	62.87	-0.9	8	232	0
19-Dec	190730	63.92	64.2	62.84	63.36	-0.85	10,043	136,276	-836
20-Mar	190730	64.95	65.09	63.96	64.28	-0.91	2,114	36,099	-325
20-May	190730	65.74	65.78	64.96	65.18	-0.85	571	4,797	36



20-Jul	190730	66.34	66.34	65.74	65.89	-0.77	641	5,028	-17
20-Oct	190730	65.09	65.09	65.09	65.09	-0.78			
Total Volume and Open Interest							14,142	195,749	-839

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