

Domestic Fundamentals:**Market Outlook:**

The Rajkot mandi price for variety Shankar 6 stood Rs.41,400/per candy (74.45cents/lbs). The Indian market remained weak in Gujarat due to the fluctuation in the interest of the buyers and the market might turn steady only after the new crop arrives in Gujarat. The prices in Punjab, Haryana and Rajasthan also declined but due to the arrival of degraded cotton with high moisture content.

The crop for 2019-20 season is expected to increase by 11-15% compared to previous year this time on the advancement of rainfall and increase in area but the excess rainfall in Madhya Pradesh and Maharashtra might decline the country's production than expected. The cotton prices have increased from the last week amid increasing cotton seed demand and lower availability of the same in the market.

News: Cotton seed prices were firm last week due to supply shortages caused by a smaller crop in 2018-19, which aided cotton prices. Cotton production is expected to increase by around 12% to 360 lakh bales in 2019-20 against 2018-19 according to the Agriwatch estimates. Whereas, according to the Pressing Factory Owners and Traders Association based in Maharashtra, the production is expected to reach 375 lakh bales in the 2019-20 season, which is 63 lakh bales (20%) more than the estimated production of 312 lakh bales in 2018-19. The prices in coming season is expected to decline and CCI is prepared to buy 10 million bales of cotton if cotton prices fall below the minimum support price (MSP).

Total arrivals stood slight higher at 44,450 bales by the week ending 21st Sep'19 compared to previous week's 27,550 bales. Of this, 7,800 bales were from Central India, followed by 5,400 bales from South India. The arrivals from North India (in Haryana and Punjab) have started so the arrivals increased to 31,250 bales this week.

As on 20th Sep'19, the cotton area has been increased this year by 6.4 lakh ha and stood at 127.09 lakh ha till now higher than 120.64 lakh ha last year. The sowing is lagging behind in Gujarat by 2% this week and stood same at 26.67 lakh ha followed by Madhya Pradesh is behind by 13% covering only 6.09 lakh ha area. Whereas all other states are now ahead compared to previous year. So far, the total area of cotton expanded this year by around 5.34%. The advancement in rainfall has favoured the North India crop which has increased the yield in Punjab while some areas in Central India has been hit by the heavy rains which can be revived only if sufficient sunshine is received before harvesting.

The cotton crop is at vegetative to flowering stage in Andhra Pradesh while the state is facing from pest attack (Sucking pests, root rots, leaf blights) which affect the area of 3550 ha in Vizianagaram, West Godavari out of which 2050 ha area has been treated. **As on 18th Sep'19, 6.02 lakh ha** has been sown higher compared to 5.6 lakh ha in the corresponding period last year also higher than normal sown area (5.88 lakh ha).

P. Alli Rani told the CCI to hold the stock instead of cutting prices and incurring losses as they are holding the premium quality cotton ranging around Rs.49000/ candy with lower than 2.5% trash but due to lower demand in the industry it is costing around 43,000/candy. The decision was made after the textile millers have demanded to sell stocks at cheaper rates due to the superior quality. CCI currently holds around 900,000 bales out of around 1.1 mln bales of cotton it procured in the current marketing season ending this month. This move might increase the imports of cheaper cotton from USA in the coming days because of which the prices might fall to some extent.

The cotton yarn industry in India has weaken in past 3-4 months. After the meeting held by Northern India Rotor Spinners Association had decided to shut the mills on every Friday of the week in Panipat in order to cope up from the recession. A one-day mills shutdown will cut production by 15–20 percent. These mills produce five lakh kilograms of yarn every day. It costs around Rs 25 crore. Cotton yarn made from Panipat is exported all over the country including Uttar Pradesh. Stocks seem to be high in mills. There are 70 mills operating here and all are struggling with payment due to lack of demand. There is also a problem of payment in the market.

Cotton prices have started rising from the past one week due to lower production estimates this year, following reports of crop damage on erratic rainfall in some places in Madhya Pradesh and Maharashtra so far and pink bollworm

attack on standing crops especially in Maharashtra which might reduce the state's production by 5-6%. The prices rose by around 6% in Rajkot mandi (Gujarat) and traded on an average of Rs.6359/q in past few days. The main reason for the rise in prices is due to the lower crop and expected delayed arrivals. Further the production forecast would depend on coming rainfall pattern in the coming days as the crop is in boll formation to maturity stage which needs enough sunshine hours to remain healthy and productive.

The arrivals have started in Punjab and the state is expecting bumper crop this year around 17.6 lakh bales as against 12 lakh bales last year. As the textile industry is weakening since last few months, CCI has extended its helping hand to support the needy farmers to sell their produce directly to them instead of selling to arhtiyas (commission agents). A series of meetings were being held with CCI officials to ensure that they get hassle-free access to mandis and farmers do not suffer any harassment in selling their produce. But the farmers averse selling their produce directly to CCI as they are not willing to break their ties with arhtiyas and they have been the helping hand in hour of crisis since a long time to the farmers, therefore, even if they have to sell their produce at a lesser price the farmers are satisfied with what they get.

Maharashtra government is planning to give Kapas bonus of Rs.250/q to the farmers for selling Kapas to the CCI at MSP rate (5550 +250 =5800/q) from 1st October onwards. As the excess rains in almost all the cotton belts of Maharashtra has destructed around 15% of the crop and farmers are hoping to receive good sunlight to revive the crop as soon as possible. So as to protect farmers from loss, Maharashtra government has introduced the bonus plan for the coming season starting from 1st Oct'19. To reimburse CCI payment Budget of Rs.1000 crore will be sanctioned in next the Maharashtra government cabinet ministers meeting on 24th September.

Weather Forecast for tomorrow:

Light to moderate rains with one or two heavy spells can be seen over West Bengal, Odisha, Chhattisgarh, Telangana, parts of Vidarbha, Marathwada, and East Madhya Pradesh. Scattered light to moderate rains can be seen over Andhra Pradesh, parts of Tamil Nadu, South Interior Karnataka, West Madhya Pradesh, Southeast Rajasthan, parts of Gujarat, parts of Uttar Pradesh and Northeastern states. Light to moderate rains at few places of Himachal Pradesh and Uttarakhand can be a sight with scattered light rains over Bihar, and Jharkhand. While patchy rains are foreseen over parts of Punjab and Haryana. However, isolated light rains can be seen over rest parts of the country.

International Fundamentals:

Cotton futures ended with 28 to 87 point gains with OCT 19 Cotton closed at 59.02, up 3 points in the Monday session. The Cotlook A Index was down 25 points on September 20 at 71.25 cents/lb. The weekly AWP is 54.62.

From May 5 to Sep 24, the cumulative turnover of reserve cotton was 955,200 tons, and the turnover rate was 86.36%. On 24th Sep 97.47% Of Total Put Auction at 11340.0919 tons for sales. Average Transaction price was 12,079 Yuan/ton (Down by 62 Yuan/ton from the previous day). The discounted 3128 price was 13,250 yuan/ton (Down by 131 yuan/ton from the previous day).

NASS showed only 39% of US cotton in good to excellent condition in the week ending on 22nd Sep'19. NASS Crop Progress data showed 64% of the crop with bolls opening (57% avg) higher than 57% in the corresponding period last year. The data shows that 11% of the crop has been harvested against 16% last year in the corresponding period. Weather was mostly quiet and dry in the rest of the Cotton Belt last week.

Net UPLAND sales of 85,000 RB for 2019- 2020 were up 14 percent from the previous week, but down 38 percent from the prior 4- week average. Increases were primarily for Mexico (43,300 RB, including decreases of 900 RB), Pakistan (20,400 RB), Costa Rica (15,200 RB), Turkey (14,300 RB), and Vietnam (11,000 RB, including 900 RB switched from Hong Kong, 400 RB switched from Japan, and decreases of 600 RB). Reductions were for China (39,300 RB).

UPLAND Exports of 166,600 RB were unchanged from the previous week, but down 27 percent from the prior 4-week average. Exports were primarily to Vietnam (48,400 RB), Indonesia (29,500 RB), Mexico (19,200 RB), China (18,800 RB), and India (10,800 RB).

Cotton contracts for December settled down 0.17 cent, or 0.28 %, at 60.33 cents per lb. It traded within a range of 60.28 and 61.13 cents a lb. The top consumer of cotton China has cancelled the order of US fiber of about 39000 RB while the exports of US stood up at 85,000 RB (14% more compared to last week). And on forecast for a bumper harvest as the quality remained very good, and weather overall continued to promote quality.

The cotton output in Pakistan is likely to decline by 26% with a shortfall of 0.66 million bales as about 18.52 lakh bales arrived against the arrival of 25.17 lakh bales of same period of last year. The cotton production in Punjab as of Sept 15, recorded a steep fall at 5.98 lakh bales as against 9.80 lakh bales produced in the corresponding period last year. The slow crop arrival in the local markets was mainly attributed to the low pricing trend in the markets, coupled with delay in the announcement of the minimum support prices for the crop by the government. Cotton crop output during 2019-20 current season was expected to reach 12 million bales as against the set targets of 12.72 million bales.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
19-Oct	-190	19740	19740	19510	19710	629	-184	1834	13
19-Nov	-70	19100	19130	19020	19130	217	-124	1070	50
19-Dec	-30	19000	19000	18970	19000	7	-21	602	4

Spread	19-Sep	19-Oct	19-Nov	19-Dec	--	--
Spot	-				-	-
19-Oct	-	610	-	-	-	-
19-Nov	-	-	130	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 24th Sep @ 5.30 pm

* Updated at as on 24-Sep- 2019 @ 5:00 PM

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	24-Sep-19	23-Sep-19	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	5205	6055	-850
	Rajkot	B.T. Cotton	6400	6600	-200
	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	5300	5400	-100
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	5150	5225	-75
	Fatehabad	B.T. Cotton	Closed	5250	-
	Jind	B.T. Cotton	5340	5760	-420
	Uchana	B.T. Cotton	5210	5250	-40
	Dabwali	B.T. Cotton	Closed	5270	-
Rajasthan	Hanumangarh	B.T. Cotton	5250	5520	-270
	Rawatsar	B.T. Cotton	5480	5470	10
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	5700	5700	Unch
	Hathras	Desi	5000	4900	100
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	6070	6190	-120
	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	24-Sep-19	23-Sep-19	
Punjab	Bhatinda	J-34	4025	4075	-50
	Abohar	J-34	4020	4070	-50
	Mansa	J-34	4010	4050	-40
Haryana	Sirsa	J-34	3980	4040	-60
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	24-Sep-19	23-Sep-19	
Gujarat	Ahmedabad	Shankar-6	NA	NA	-
	Gondal	Shankar-6	26	15	11
	Rajkot	B.T. Cotton	400	550	-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	15000	16000	-1000

	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	1360	1700	-340
	Fatehabad	B.T. Cotton	Closed	900	-
	Jind	B.T. Cotton	170	170	Unch
	Uchana	B.T. Cotton	1136	1085	51
	Dabwali	B.T. Cotton	Closed	900	-
Rajasthan	Hanumangarh	B.T. Cotton	1000	330	670
	Rawatsar	B.T. Cotton	500	125	375
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	350	60	290
	Hathras	Desi	60	5	55
Telangana	Adilabad	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	81	46	35
	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	24-Sep-19	23-Sep-19	
Punjab	Bhatinda	J-34	4250	2550	1700
	Abohar	J-34	1530	1700	-170
	Mansa	J-34	425	425	Unch
Haryana	Sirsa	J-34	850	1020	-170
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	24-Sep-19	23-Sep-19	
Gujarat	Rajkot	Rs. /10 Kg.	770	770	Unch
Delhi	New Delhi	Rs. /10 Kg.	745	745	Unch
Telangana	Hyderabad	Rs. /10 Kg.	Unq	Unq	-
Maharashtra	Mumbai	Rs. /10 Kg.	788	798	-10

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	24-Sep-19	23-Sep-19	
Gujarat	Mahesana (Kadi)	Rs./Qtl	3406	3424	-18
Maharashtra	Akola	Rs./Qtl	3454	3470	-16

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				23-Sep-19	21-Sep-19	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	40200	40200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40700	40700	Unch
J-34(202)	26mm	3.5 - 4.9	23	39200	40200	-1000
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	41300	41500	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	41500	41800	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	44000	44300	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	45600	45600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	54800	54800	Unch

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

Index	Unit	24-Sep-19	23-Sep-19	Change
CCIndex(328)	RMB/Ton	13025	13036	-11
CCIndex(527)	RMB/Ton	11967	11972	-5
CCIndex(229)	RMB/Ton	13406	13418	-12
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	24-Sep-19	23-Sep-19	Change
FC Index (S)	Cents/lb	NR	76.16	-
FC Index (M)	Cents/lb	NR	71.59	-
FC Index (L)	Cents/lb	NR	69.09	-

Cotlook Index:

Cotlook Indices	Unit	23-Sep-19	21-Sep-19	Change
A-Index	Cents/Pound	71.45	#N/A	-

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		23-Sep-19	23-Sep-19	Bales
Southeast	cents/lb.	61.91	64.16	0
North Delta	cents/lb.	60.91	63.16	0



South Delta	cents/lb.	60.91	63.16	0
East TX-OK	cents/lb.	57.41	59.66	1060
West Texas	cents/lb.	57.41	60.16	10
Desert SW	cents/lb.	54.66	58.66	0
SJ Valley	cents/lb.	55.16	64.06	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 23-Sep-2019				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8650	160	8810
Equivalent	40 Kgs	9270	171	9441

Daily Futures Price Listing Mon September 23, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
19-Oct	190923	58.82	60.25	58.68	59.83	0.7	30	97	-26
19-Dec	190923	60.6	61.67	60.13	60.91	0.39	12,733	137,463	687
20-Mar	190923	61	62.27	60.85	61.68	0.51	4,424	59,493	466
20-May	190923	61.91	62.95	61.71	62.51	0.52	826	9,048	-60
20-Jul	190923	62.41	63.53	62.41	63.16	0.5	542	7,752	146
20-Oct	190923	63.66	63.66	63.66	63.66	0.5			
Total Volume and Open Interest							18,794	231,987	1,196

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