

Domestic Fundamentals:**Market Outlook:**

The Kapas prices at Rajkot mandi stood lower at Rs. 4870/q with comparatively lower arrivals from previous day. The price at Adoni market also stood low at Rs. 4350/q with only 50 quintals arrival today.

News: In Punjab, cotton has been sown in about 500 ha so far and it is likely reach to around 1.25 lakh ha by May 20. The state government is supplying ample amount of seeds to farmers without any delay. Due to the delay in wheat harvest this year, the cotton sowing is lagging behind by around 1 week to 10 days. As cotton does not need as much labour as required in paddy, therefore, 7-10% of paddy cultivating farmers are shifting to cotton and the state is expecting to cover the area with cotton to around 5.5 lakh ha this year (2020-21) from 4 lakh ha last year (2019-20). The suitable weather for cotton is prolonged till the end of this month. So a significant rise in area can be noticed by the end of this month this year.

According to the trade sources, the Indian cotton exports for the March'20 were reported much lower around 2.94 lakh bales and around 50,000 bales of organic cotton. The exports were higher around 4 lakh bales in the previous month. In March'20, the shipments were halted due to the outbreak of Covid-19 virus in various countries and trade of 20 days was reported in March month. During the time, Bangladesh was the largest importer of 1.54 lakh bales at an average FOB of \$1.57/kg followed by China importing around 1 lakh bales at an average FOB of \$1.62/kg almost similar quantity was exported in the February month. The other export destinations of India were Indonesia (9,883 bales at 1.29 \$/Kg), Vietnam (6764 bales at \$1.62/kg).

The cotton procurement from different centers is going to start in Telangana from today in number of phases. Farmers will be given tokens giving them the dates to bring their produce to the procurement centers. Purchase will be made at Jainad, Bheempur and Ichoda yards on 29th April, at Talamadugu, Bela and Boath yards on 30th April, at Tamsi, Adilabad and Mavala on 2nd May, at Jainad, Bheempur and Indervelli on 4th May and at Talamadugu, Bela and Jainad yards on 5th May. Farmers in Telangana have purchased cotton seeds on Sunday on the occasion of Akshaya trithiya. The farmers are waiting for the monsoon to occur to start the cultivation as already farmers have prepared the field particularly in Adilabad district.

CCI started the procurement in Punjab, Maharashtra and Gujarat so far last week. CCI procured about more than 25,000 quintals of cotton from the farmers in last 10-12 days. There is no demand from spinning industry, therefore, the ginning mills are facing problem in the storage and movement of ginned cotton bales. CCI has started selling cotton at lower price. At present, the market price is around Rs.36,000/ candy generally who buys one lakh bales from CCI.

The department of agriculture in Punjab is set to surge in the area under cotton cultivation in 2020-21 cotton season. The area under paddy is likely to switch under maize and cotton in the new season, thereby, enhancing the area of cotton from around 4 lakh ha in 2019-20 to cover about 5 lakh ha in the coming cotton season (2020-21) due to the higher returns and relatively higher yields compared to paddy. The state has managed to provide 25 lakh packets of BT cotton seed from the country's reputed seed producing companies. The cotton sowing in Punjab (Bathinda, Mansa, Muktsar, Faridkot, Moga, Fazilka and Firozpur) is expected to start from 1st of May'20 this year that is delayed by around 10-15 days due to the late wheat harvests amid lockdown in the state.

Cotton ginners in Maharashtra are unwilling to resume the operations amid fear of coronavirus in the state. As the number of affected people are increasing day by day in the state and they do not want to take the risk of the pandemic. The ginners are saying that they will resume only after the lockdown is lifted in the state. Also, the labour was a major issue as most workers had left for their homes and will not be able to return in lockdown situation. A single unit requires around 50 workers, who work in a single shift. As cotton is non-perishable commodity, therefore, the growers and ginners can hold on their produce until further notice.

Around 14,000 bales have procured in last 7-10 days from the farmers. Buying has slowed down after March as the peak harvest season is almost over. So far CCI has procured around 84 lakh bales of cotton, where 82% of the cotton purchased

of the arrivals in Telangana followed by Maharashtra where 32% of the cotton is purchased out of the total arrivals in the state. And around 50% of the cotton would be purchased by CCI in the 20% of the arrivals that is to arrive in the market, according to CCI. So far, 283 lakh bales of cotton is arrived in the market till March'20 end.

Maharashtra cotton federation recommended the state government to allow the private traders to procure non-FAQ cotton by the farmers that usually enters the market from March month. The Maharashtra federation procures FAQ cotton and has halted the operations after the lockdown. Maharashtra cotton Federation started the FAQ grade cotton procurement from 27th Nov'19 and till 23rd Mar'20, it procured around 54 lakh quintals in the state. Around 70-80 quintals of non-FAQ cotton and around 25 lakh quintals of FAQ cotton is lying with farmers. The federation is willing to procure remaining FAQ grade cotton with farmers and the procured cotton is yet to be ginned.

Only few Indian cotton ginning mills have started the operations but there is no labour force to conduct the operations because of which the functioning is very slow. There is no inquiries from the yarn industries due to the decline in demand across the country and foreign demand. The mill consumption is likely to decline sharply amid lockdown in the country. Generally, the Indian mills consume around 22-25 lakh bales of the cotton in one month. Now, it seems that this year's ending stock would surge to its all-time high and may reach around 80-100 lakh bales by the end of this cotton season (2019-20) and all the mills were non-operational and were totally shut down since the lockdown started.

As CCI indicated earlier that the procurement would likely to commence in Punjab, now Maharashtra, and Telangana also had issued guidelines to allow procurement operations of Kapas. Around 25% of the cotton is still need to arrive in the mandis and CCI procured about 84 lakh bales of cotton so far this season. The trade in cotton was suspended since the lockdown started as only mandis dealing with essential commodities were functioning. Mandis would take necessary precautions like issuance of hourly passes to farmers to allow limited number of growers coming to the markets. However, the transportation of raw cotton from farm to mandi is an issue due to the labour shortage. Similarly, the ginning and spinning mills are also facing the problems regarding the labour. As all the migrant labours from Uttar Pradesh, Bihar and Jharkhand have left for their home states right at the start of the lockdown. The cotton industry is likely to suffer and would take time to normalize.

Weather Forecast for tomorrow:

Thunderstorm accompanied with lightning, hail & gusty winds (speed reaching 30-40 kmph) likely at isolated places over Uttarakhand and East Madhya Pradesh; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over West Madhya Pradesh, Vidarbha, Chhattisgarh, Sub-Himalayan West Bengal & Sikkim, Coastal Andhra Pradesh & Yanam, Tamilnadu, Puducherry & Karaikal and Kerala & Mahe and with lightning at isolated places over Jammu & Kashmir, Ladakh, Gilgit- Baltistan, Muzaffarabad, Bihar, Konkan & Goa and Coastal & South Interior Karnataka.

International Fundamentals:

Front month cotton futures ended 4 to 27 points higher, with May the weakest. The Cotlook A index was 60 points higher on April 29 to 65.25 c/lb. The Adjusted World Price for cotton was increased by 1.74 cents to 46.99 cents/lb.

USDA's Export Sales report with cotton data from the week ending April 23 showed 434,818 RB of cotton sold. That was the second highest total this MY and 200% above the same week last year. Of the week's total a huge 422,378 RBs were to China (97% of the total). There were 253,700 RBs shipped that week, which was down 4.9% from previous week and brought the MY total to 9.946 million running bales.

A drop in cotton production is estimated in Egypt to around 39 lakh bales from the 44.8 lakh bales attributing that to the reduction of yields due to the lower quality of seeds and losses due to whitefly infestation this year. Also, the reduced prices in 2019-20 discouraged the cultivation and expecting that this may continue in the coming season. India imports the Egyptian cotton of premium quality and other countries including Pakistan, Bangladesh, Greece, Germany and Italy in 2019-20 MY and expected to remain same in 2020-21. The Egyptian exports are likely to increase by 14% in 2020-21 amid lower prices that would attract the countries to the Egyptian produce.

Market reacted positively with some indication of China going to fulfil phase one deal of US China trade agreement by purchasing American cotton. ICE cotton futures have gained some support after China made an announcement that the country will buy one million bales from the US under the agreement signed two months ago to ease the financial crisis caused by the pandemic boosting its textile industry and improve US relations. The Chinese textile industry has gained momentum and demand for cotton. China still needs 550 to 600 lakh bales this year.

US textile and apparel total import was down by 11% year on year till Feb'20 while the imports from China were down by 28.7% compared to the previous year during the same period. China's textile and apparel import share percentage in US textile and apparel import market has dropped to 36.9% compared with 46.1% in same period of last year. COVID-19 pandemic outbreak has affected on foreign trade, and the amount and quantity of China's textile and apparel imported by the United States have declined sharply. After the outbreak of coronavirus, the imports demand of US apparel kept falling, both the total imports of US apparel and the import value from China have declined by around 41% till Feb'20.

Weekly cotton export sales were negative again, with a net 183,779 running bales cancelled. China canceled 81,999 RBs in sales; over the last three week's the country has withdrawn 284,013 RB of U.S. cotton bookings. Vietnam and Pakistan also backed out of some business. Cumulative US cotton commitments are 15.104 million RB, with 2.117 million RB from China. Accumulated exports for the MY are up to 9.426 million RB, which is 21.2% above last year's pace and the highest for the first 37 week's since the 2010-11 marketing year.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
20-May	30	16290	16320	16140	16210	325	-155	4891	2728
20-Jun	0	16450	16460	16400	16440	22	-345	508	-775
20-Jul	0	0	0	0	16360	0	-808	1	-1539

Spread	20-Apr	20-May	20-Jun	20-Jul	--	--
Spot	-				-	-
19-Dec	-	-140	-	-	-	-
20-Jan	-	-	-	-	-	-

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

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

DOMESTIC PRICES AND ARRIVALCotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	1-May-20	30-Apr-20	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	4870	4895	-25
	Patan	B.T. Cotton	NA	4300	-
	Kadi	B.T. Cotton	4500	4750	-250
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	Closed	Closed	-
	Bhiwani	Desi	Closed	Closed	-
	Adampur	B.T. Cotton	Closed	Closed	-
	Fatehabad	B.T. Cotton	Closed	Closed	-
	Jind	B.T. Cotton	Closed	Closed	-
	Uchana	B.T. Cotton	Closed	Closed	-
	Dabwali	B.T. Cotton	Closed	Closed	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	Closed	Closed	-
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	NA	4100	-
	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	NR	NR	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	NR	-
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	1-May-20	30-Apr-20	
Punjab	Bhatinda	J-34	Closed	Closed	-
	Abohar	J-34	Closed	Closed	-
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	Closed	Closed	-
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	1-May-20	30-Apr-20	
Gujarat	Ahmedabad	Shankar-6	Closed	Closed	-
	Gondal	Shankar-6	Closed	Closed	-
	Rajkot	B.T. Cotton	1600	1200	400
	Patan	B.T. Cotton	NA	2265	-
	Kadi	B.T. Cotton	700	1000	-300
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	Closed	Closed	-
	Bhiwani	Desi	Closed	Closed	-
	Adampur	B.T. Cotton	Closed	Closed	-
	Fatehabad	B.T. Cotton	Closed	Closed	-
	Jind	B.T. Cotton	Closed	Closed	-
	Uchana	B.T. Cotton	Closed	Closed	-
	Dabwali	B.T. Cotton	Closed	Closed	-
Rajasthan	Hanumangarh	B.T. Cotton	Closed	Closed	-
	Rawatsar	B.T. Cotton	Closed	Closed	-
Madhya Pradesh	Khandwa	Mech-1	Closed	Closed	-
	Khargaon	Mech-1	NR	NR	-
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	NR	NR	-
	Hubli	D.C.H.	NR	NR	-
	Hubli	B.T. Cotton	NR	NR	-
	Raichur	H-44 Cotton	NR	NR	-
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	1-May-20	30-Apr-20	
Punjab	Bhatinda	J-34	Closed	Closed	-
	Abohar	J-34	Closed	Closed	-
	Mansa	J-34	Closed	Closed	-
Haryana	Sirsa	J-34	Closed	Closed	-
Rajasthan	Sri-Ganganagar	J-34	Closed	Closed	-

Cotton Seed Oil Prices:

Commodity	Cotton Seed Oil		Price		Change
State	Centre	Unit	1-May-20	30-Apr-20	
Gujarat	Rajkot	Rs. /10 Kg.	840	840	Unch
Delhi	New Delhi	Rs. /10 Kg.	775	775	Unch
Telangana	Hyderabad	Rs. /10 Kg.	835	835	Unch
Maharashtra	Mumbai	Rs. /10 Kg.	845	825	20

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	1-May-20	30-Apr-20	
Gujarat	Mahesana (Kadi)	Rs./Qtl	Closed	2169	-
Maharashtra	Akola	Rs./Qtl	Closed	1996	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				30-Apr-20	29-Apr-20	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	35700	35700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36100	36100	Unch
J-34(202)	26mm	3.5 - 4.9	23	34800	34600	200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	35000	35000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	36100	35900	200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36200	36200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35900	35900	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	36400	36400	Unch

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

Index	Unit	30-Apr-20	29-Apr-20	Change
CCIndex(328)	RMB/Ton	11501	11432	69
CCIndex(527)	RMB/Ton	10720	10699	21
CCIndex(229)	RMB/Ton	11783	11736	47

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

China Foreign Cotton (FCE) Index :

Index	Unit	30-Apr-20	29-Apr-20	Change
-------	------	-----------	-----------	--------

FC Index (S)	Cents/lb	NR	71.25	-
FC Index (M)	Cents/lb	NR	67.65	-
FC Index (L)	Cents/lb	NR	65.02	-

Cotlook Index:

Cotlook Indices	Unit	29-Apr-20	28-Apr-20	Change
A-Index	Cents/Pound	65.25	64.65	0.60

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		30-Apr-20	30-Apr-20	Bales
Southeast	cents/lb.	55.33	57.58	0
North Delta	cents/lb.	54.33	56.58	0
South Delta	cents/lb.	54.33	56.58	335
East TX-OK	cents/lb.	51.83	54.08	2858
West Texas	cents/lb.	51.83	54.33	813
Desert SW	cents/lb.	50.08	54.08	0
SJ Valley	cents/lb.	50.58	59.48	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-Apr-2019

				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	8800	160	8960
Equivalent	40 Kgs	9431	171	9602

Daily Futures Price Listing Thu April 30, 2020

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
20-May	200430	58.06	58.06	58.06	58.06	0.04	1	3	-5
20-Jul	200430	57.21	57.98	56.56	57.33	0.21	16,216	99,985	-1,421
20-Oct	200430	58.65	58.90	58.65	58.72	0.14	7	111	-5
20-Dec	200430	58.76	59.50	58.18	58.92	0.24	5,702	49,677	792
21-Mar	200430	59.23	60.09	59.01	59.60	0.27	639	12,231	-27
21-May	200430	59.71	60.03	59.18	59.76	0.30	119	2,480	61
Total Volume and Open Interest							23,306	174,079	-497

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2020 Indian Agribusiness Systems Pvt. Ltd.