

Domestic Fundamentals:**Market Outlook:**

The kapas prices in Rajkot market stood slightly weaker at Rs. 4665/q. In Adoni market of Andhra Pradesh, the prices stood firm at Rs. 4962/q with 2094 q of arrivals while the MCX cotton stood firm at Rs.16180/bale. ICE cotton futures fell more than 1% on Monday, pressured by a dampening demand outlook for the natural fiber and as index funds rolled over their positions from the front month.

News: Kharif crop sowing has started from June 1st in Andhra Pradesh with the onset of monsoon. Kharif season has been set at 39.59 lakh hectares as against the normal crop acreage of 37.54 lakh hectares. Pulses, oilseeds and sugarcane crops are at vegetative stage. The targeted area under cotton for 2020-21 season is 5.44 lakh ha against the area under normal season is 6.08 lakh ha.

About 16 lakh ha area has been sown under cotton till 5th June'20 for 2020-21 marketing year. In Punjab, around 12% increase in area is seen to 4.5 lakh ha followed by Haryana, up by 10% to 7.02 lakh ha. In Rajasthan, the maximum increase was witnessed from 2.46 lakh ha to 4.52 lakh ha in 2020-21 compared to the previous year. In Gujarat, the sowing has started recently during the last week and around 0.13 lakh ha is sown. The sowing also started in AP and Karnataka covering the area around 0.07 lakh ha and 0.41 lakh ha, respectively.

Due to the heavy rainfall in the past week after the cyclone Nisarga hit Maharashtra and Gujarat, cotton left in the open fields were damaged on small scale in Maharashtra and negligible loss in Gujarat. So far, the loss incurred in MH on the account damage is around 7 lakh quintals of lint as its quality have been deteriorated. At the start of the season, the Maharashtra government planned to open 40 ginning factories for procurement. But at present, cotton is being procured at 166 ginning and pressing factories after seeing the huge stock with the farmers. Around 30 lakh quintals kapas is left with farmers in the state out of which only 9-10 lakh quintal is of FAQ grade that would be procured by CCI. CCI have procured around 110 lakh quintals and around 73 lakh quintals have been procured by Maharashtra Federation till 7th June'20.

The rise in MSP is favourable for farmers that encourages them to grow more for the coming season. But the 5% hike in MSP is somewhere would be troublesome for spinners. Already northern part of India is witnessing higher cotton acreage and the southern and western cotton belts are yet start sowing. The cotton demand and trade prospects in cotton year 2020 have been severely hampered owing to the pandemic. The yarn and garment demand is impacted which is likely to result in a decline in cotton consumption for cotton year 2020. Therefore, the year that would end by September this year with higher ending stock. That would gradually does not support the prices in the coming year.

Government has increased the MSP for kharif crops in 2020-21 season by 2-13% hike. The CCEA has approved the hike for the upcoming kharif crops to provide benefit to farmers. Therefore, a rise of around 5% is recommended in medium and long staple length of cotton. There is an increase of Rs.275/q and Rs.260/q to Rs.5,825/q and Rs.5,515/q in long and medium staple length cotton respectively. The MSP for long staple length cotton was Rs.5,550/q and Rs.5255/q for medium staple in 2019-20 season.

CCI has done promising procurement of cotton from the farmers of around 95 lakh bales so far till May end this year against the target of 100 lakh bales in 2019-20. During lockdown, CCI started purchasing cotton after a halt of around one month in April last week and till May end it procured around 10 lakh bales despite the disruptions caused in the lockdown. But the as per the higher crop estimation this year, the slow pace in the procurement is not enough to buy all the crop that is left with the farmers (around 55 lakh bales) before the onset of monsoon.

In Nagpur district, total 16,75,028 quintals of cotton has been procured from 81,648 farmers so far. This includes 3,05,072 quintals of cotton procured by Maharashtra Marketing Federation from 12,863 farmers. Besides, CCI has procured 83,643 quintals of cotton from 2,114 farmers. And those holding marketing permit and licensed traders are procuring cotton from

APMC are procuring cotton. Cotton Federation and CCI were procuring cotton at 23 ginning and pressing units in the district. It is expected that all the cotton with farmers will be procured by the onset of monsoon.

The cotton sowing in Punjab, Haryana and Rajasthan is almost completed by 97-99%. The area in Rajasthan has remained near same compared to last year around 6 lakh hectare. While the significant area is increased in Punjab and around 5-10% increase in area is expected in Haryana. As the locusts have attacked severely in few areas in Rajasthan and Punjab areas that share border with Pakistan. Still the states are assessing the loss caused in those regions that are attacked by locusts but the main cotton belt near border is Sri ganganagar which covers around 30% of total area of Rajasthan that is likely to be affected more. No major loss is observed in Punjab and Haryana so far.

According to the trade sources, the Indian cotton exports for the April'20 were reported much lower only around 38,200 bales compared to 2.94 lakh bales in Mar'20. In April'20, most of the shipments were halted and cancelled due to the outbreak of Covid-19 virus in various countries. During the time, Bangladesh was the largest importer of 12,300 bales at an average FOB of \$1.5/kg as fulfilling the older contracts followed by China importing around 11,200 bales at an average FOB of \$1.52/kg as China started operating textile mills in March itself. The other export destinations of India were Indonesia (5,500 bales at 1.53 \$/Kg), Oman (2,400 bales at \$1.53/kg), Thailand (1,660 bales at \$1.43/kg), Iran (958 bales at \$1.54/kg) and Vietnam (880 bales at \$1.51/kg).

Weather Forecast for tomorrow:

Thunderstorm accompanied with lightning & gusty winds (speed reaching 40-50 kmph) at isolated places likely over Andaman & Nicobar Islands; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over Gangetic West Bengal, Gujarat and Coastal Andhra Pradesh & Yanam; with lightning at isolated places over Madhya Pradesh, Bihar, Jharkhand, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura and Telangana.

International Fundamentals:

ICE Cotton futures fell more than 1% on Monday, Jul 20 Cotton is at 60.81, down by 98 points. The Cotlook A index for June 08 was 69.20c/lb, up by 175 points. The AWP for cotton is 48.32 cents/lb.

The weekly Export Sales update noted a net reduction in old crop cotton bookings of 10,089 Running Bales. Cotton shipments were 237,923 RBs on the week, for a MY total of 11.32 million RB. Cotton exports were 1.25 million bales in April according to the latest Census update. That brought official accumulated cotton exports to 11.77 million bales through April.

According to the USDA's weekly Crop Progress and Condition Report, cotton is 66 percent planted across the Cotton Belt, versus a five-year average of 66 percent in the week ending on 31st May'20. The sowing progress was slightly higher by 1% in the previous year during the same time. The progress of planting was 48% fair and 39% good during the season so far. Planting advanced at a rapid pace as dry conditions allowed, but fieldwork was delayed in portions of Alabama and Georgia where the heaviest rainfall occurred. In some areas, producers are considering replanting options as seedlings failed to make a stand due to heavy rainfall. While in Texas, Oklahoma and Kansas are going through a dry spell, posing a threat to cotton crops.

The cotton trading has slightly improved after easing down the lockdown in Pakistan. The demand has increased but the trading of yarn and cotton will fully resume after Ramazan and Eid holidays. A threat of locust infestation is prevailing on cotton in Pakistan. The sowing has completed in lower areas of Sindh while sowing is going on in upper areas of Sindh and many areas of Punjab. The farmers reported that the seed quality was not good that showed only 30 percent to 50 percent germination level.

The world cotton market is suppressed after the rapid spread of Covid-19 has become pandemic. There has been a decline in demand from across the world due to the closure of all non- essential businesses. China has commenced its spinning

operations but the recovery rate is not satisfactory enough due to the lack of demand. The forecast for 2019-20 world cotton consumption dropped further by 5% to 104 million bales in May' 20 compared to April'20. USDA increased world consumption by 11 percent for the 2020-21 season to 116.46 million bales. The current forecast of world cotton demand is at 250 million bales, while the world cotton supply is at a relatively high level of 242 million bales. The ICE futures dropped to 55 cents/lbs in first week of May'20 from around 63 cents/lbs in March'20 first week.

US textile and apparel total import was down by 12.6% year on year in Mar'20. Imports from China were impacted as well from the port closures in February and March as the virus stormed through China. US imports from China fell 22.6%, and apparel imports only fell 42.6%. 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. While an improvement in sale of cotton is seen as China has started buying US cotton in the first week of May'20 that would help gain the cotton prices globally.

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

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
20-Jun	-40	16710	16760	16550	16670	536	56	3691	1528
20-Jul	-30	16880	16930	16780	16870	161	-206	626	-657
20-Aug	0	0	0	0	16610	0	-808	3	-1537

Spread	20-May	20-Jun	20-Jul	20-Aug	--	--
Spot	-				-	-
20-Jun	-	-170	-	-	-	-
20-Jul	-	-	-	-	-	-

(NB: Spread Basis = Spot- Near Month Future) As updated on 9th Jun @ 5.30 pm

* Updated at as on 09-Jun- 2019 @ 5:00 PM

DOMESTIC PRICES AND ARRIVAL

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
	Centre	Variety	9-Jun-20	8-Jun-20	
Gujarat	Ahmedabad	Shankar-6	5250	5125	125
	Gondal	Shankar-6	4605	4580	25
	Rajkot	B.T. Cotton	4665	4750	-85
	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	5400	5400	Unch
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5000	5405	-405

	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	4725	4750	-25
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Andhra Pradesh	Adoni	Medium Staple	4962	4806	156
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	5213	5162	51
	Hubli	D.C.H.	NA	3600	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5200	5169	31
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	9-Jun-20	8-Jun-20	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	3670	3680	-10
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	9-Jun-20	8-Jun-20	
Gujarat	Ahmedabad	Shankar-6	25500	34000	-8500
	Gondal	Shankar-6	942	774	168
	Rajkot	B.T. Cotton	800	1800	-1000
	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	300	500	-200
	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	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	1500	1500	Unch
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Andhra Pradesh	Adoni	Medium Staple	2094	1673	421
Telangana	Adilabad	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	1737	2391	-654
	Hubli	D.C.H.	NA	1	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	892	645	247
Commodity	Lint		Arrivals (Quintal)		Change
State	Centre	Variety	9-Jun-20	8-Jun-20	
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	9-Jun-20	8-Jun-20	
Gujarat	Rajkot	Rs. /10 Kg.	805	820	-15
Delhi	New Delhi	Rs. /10 Kg.	785	785	Unch
Telangana	Hyderabad	Rs. /10 Kg.	815	810	5
Maharashtra	Mumbai	Rs. /10 Kg.	825	825	Unch

Cotton Seed Oil Seed Cake Prices:

Commodity	Cotton Seed Oil Seed Cake		Price		Change
State	Centre	Unit	9-Jun-20	8-Jun-20	
Gujarat	Mahešana (Kadi)	Rs./Qtl	2307	2301	6
Maharashtra	Akola	Rs./Qtl	2215	2221	-6

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				8-Jun-20	6-Jun-20	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	36300	36300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37000	37000	Unch
J-34(202)	26mm	3.5 - 4.9	23	34700	34700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34300	34300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	35300	35300	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35600	35600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35300	35300	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	35800	35800	Unch

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

Index	Unit	9-Jun-20	8-Jun-20	Change
CCIndex(328)	RMB/Ton	12101	12003	98
CCIndex(527)	RMB/Ton	11222	11142	80
CCIndex(229)	RMB/Ton	12371	12306	65
RMB -Renminbi, 1RMB =0.16 \$U.S.				

China Foreign Cotton (FCE) Index :

Index	Unit	9-Jun-20	8-Jun-20	Change
FC Index (S)	Cents/lb	72.81	73.81	-1.00
FC Index (M)	Cents/lb	68.89	69.89	-1.00
FC Index (L)	Cents/lb	67.92	68.92	-1.00

Cotlook Index:

Cotlook Indices	Unit	8-Jun-20	5-Jun-20	Change
A-Index	Cents/Pound	69.2	67.45	1.75

USDA Cotton Spot Rates:

Growth Area	Unit	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
		8-Jun-20	8-Jun-20	Bales
Southeast	cents/lb.	58.56	60.81	0
North Delta	cents/lb.	58.06	60.31	0
South Delta	cents/lb.	58.06	60.31	0
East TX-OK	cents/lb.	55.81	58.06	602



West Texas	cents/lb.	55.81	58.31	243
Desert SW	cents/lb.	53.56	57.56	0
SJ Valley	cents/lb.	54.06	62.96	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 06-Jun-2020				(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	9003	171	9174

Daily Futures Price Listing Mon June 08, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Cotton(ICE)									
20-Jul	200608	62.16	62.16	60.58	60.81	-0.98	13,450	64,745	-4,411
20-Oct	200608	61.06	62.05	60.64	61.12	0.04	3	45	-1
20-Dec	200608	61.07	61.14	60.11	60.37	-0.61	12862	85726	3484
21-Mar	200608	61.49	61.49	60.70	60.94	-0.45	1,288	15,764	399
21-May	200608	61.71	61.85	61.05	61.27	-0.45	537	3,695	88
21-Jul	200608	62.01	62.20	61.31	61.48	-0.53	185	5,337	-10
Total Volume and Open Interest							28,441	185,711	-390

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