



Domestic market summary

Domestic market Scenario: Cotton spot markets mostly noticed firm during the month. Average price of Lint at Sirsa during the month was Rs. 4231 per maund (of 37.32 Kg each), compared to the previous month price of Rs 4195. Cotton fiber (Shankar-6) prices noticed firm tone this month. Average price was Rs 41172 per candy (of 355.6 kg each) during the month, which was Rs 40846 per candy previous month. Future price of cotton (at NCDEX, Continuous contract) closed lower this month at Rs. 868 per maund (of 20 kg each) which was Rs 925 a month earlier.

Monthly Price Outlook : In the coming month we expect Kapas price to remain range bound to firm with the price band of Rs 4800-5400per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 4000-5000 per maund

Major Market Highlights:

The new genetically modified variety, PAU Bt 1, will go for trials over 3,000 acres in the current kharif season and the Punjab Agricultural University has started distributing seed packets of 400gm each free of cost, asking cotton growers to sow it over one kanal (one-eighth of an acre). The cost of three kg of seeds of prevailing Bt varieties for one acre is Rs 1,600, which is a major cost factor for farmers.

Sowing of cotton under ideal conditions, only 9,600 hectares have been covered in Punjab till April 30. Last year the crop was sown in 22,000 hectares till April end. Sowing of cotton is termed ideal till May 15 in the state. The delayed release of canal water is termed as the biggest reason behind late sowing. The canal water reached villages in Fazilka and Muktsar districts on April 29, but that too not at full capacity whereas it had reached the other cotton districts on April 21. The sowing is expected to pick up in the first week of May.

According to trade sources, many cotton farmers are reportedly looking to shift to soybean during the coming kharif sowing season, as the oilseed fetched a better return last year. Expecting at least 15 per cent of cotton farmers shifting towards soybean this kharif season, for better realization.

Cotton prices are likely to remain steady during June-October 2018 due to very tight financial situation prevailing in the spinning sector and comfortable availability of quality cotton, according to the Indian Cotton Federation.⁷⁴¹.

Bangladesh has emerged as the biggest importer of Indian cotton this season. It imported around 21 lakh bales of cotton from India overtaking China, which was largest importer of Indian cotton until now.

So far, India has exported 15 lakh bales of cotton to China. As per data provided by CAI, the country has contracted 15-20 lakh bales for exports to China. Following the trade war with the US, China has imposed tariffs on import of cotton from the US. Cotton is one of the 106 US goods on which Beijing has imposed up to 25% tariffs.



According to data provided by the Confederation of Indian Textile Industry, of the total commodities exports from India, the textile apparel exports share has come down by a percentage point to 12% in fiscal 2018 from 13% in the previous fiscal.

India's farm ministry will announce its course of action on cotton seed prices by next week after the Delhi High Court judgement that said Monsanto Technologies' patents on Bt cotton seed variety Bollgard II were not valid.

Cotton exports surged 151% in March with shipment of 12.5 lakh bales (170 kg) as against just less than 5 lakh bales exported in March 2017. During the first six months of 2017-18 cotton marketing year shipments aggregated to 5.66 million bales as against 4.82 million bales in the corresponding months of previous marketing year.

Cotton Corporation of India (CCI) has purchased 11 lakh bales of cotton so far this cotton season (October to September) and sold four lakh bales.

Cotton Association of India has released its March estimate of the 2017-18 crop year beginning from 1st October 2017-18. In this latest estimate, the CAI has estimated cotton crop for the ongoing 2017-18 season at 360 lakh bales of 170 kgs. each, which is lower by 2 lakh bales – one lakh bales each in the states of Maharashtra and Karnataka than its previous estimate of 362 lakh bales made in the month of March 2018.

The area under cotton acreage is likely to decrease by around 15% with farmers shifting to other crops after the Pink Bollworm infestation in Maharashtra and Telangana that damaged the crop, reducing farmer incomes. The drop in cotton planting is likely to see a rise in soybean planting in Maharashtra after farmers received good rates during the ongoing season and a rise in import duties, sources said.

The Cotton Association of India has earmarked 12.5 mn rupees to be spent on training farmers over the next five years to help them fetch better prices for their produce. The training programme will ensure that farmers are given guidance on choosing the best variety of seed and irrigation models, as well as post-harvest practices.

As per Agriwatch estimates, cotton acreage in the southern states might decline by 8-10% in 2018-19, because of losses this year, but a part of it will be made up by the northern states. Overall we expect the national acreage to decline by about 3%. Current year's yields in southern states were affected by pink bollworm attacks.

India, the world's second-biggest cotton exporter, is hoping to treble shipments of the fibre to China next year as Beijing seeks to replenish stockpiles and imposes a 25 percent import tax on cargoes from the United States.

According to trade sources, India is looking to sell 2.5 million to 3 million bales, each of 170 kg, to China in the next season beginning in October, up from around 800,000 bales of expected exports in the 2017/18 marketing year.

Cotton prices which are currently ruling in the range of Rs 40,000-40,800 per candy (each of 356 kg) may cross Rs 45,000 by the end of May.



Cotton sowing commenced officially from April 1 in Punjab, the state agriculture department is yet to release the list of varieties recommended by the Punjab Agricultural University (PAU), Ludhiana. PAU-recommended varieties of hybrid BT cotton seed are also approved by the genetic engineering appraisal committee (GEAC).

Domestic Cotton Balance sheet

Supply	2016-17*	2017-18*	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Opening Stock	36.50	30.00	30.00	97.06	163.23	109.84
Production	337.25	362.00	163.80	152.88	34.76	15.56
Imports	27.00	22.00	3.00	9.00	4.00	6.00
Total Supply	400.75	414.00	196.80	258.94	201.99	131.40
Demand						
Mill	265.00	275.00	65.53	69.77	70.45	69.63
Small mill	27.00	30.00	6.86	7.50	7.85	7.70
Non Mill	15.75	15.00	3.75	3.75	3.75	3.75
Total Consumption	307.75	320.00	76.14	81.02	82.05	81.08
Exports	63.00	70.00	23.60	14.70	10.10	6.60
Total Consumption	370.75	390.00	99.74	95.72	92.15	87.68
Ending Stocks	30.00	24.00	97.06	163.23	109.84	43.71

Annual Production, consumption and Export figures are sourced from Cotton Association of India (CAI).

**Quarterly Balance Sheet figures estimated by Agriwatch.

Balance Sheet Highlight (2017-18):

As per the latest estimates by CAI, cotton output in country during the season 2017-18 would be around 362 lakh bales (of 170 kg each) which is higher compared to production of last season.

Following higher production, cotton imports will rise marginally to 22 lakh bales compared to 27 lakh bales in previous season.

Due to lower opening stock, imports, and higher production of cotton availability would be standing higher this season at 414 lakh bales compared to 400 lakh bales during the previous season.

Total domestic consumption (Including mill, small mill and non-mill consumption) would be around 320 lakh bales compared to 307 lakh bales during the previous season.

Cotton exports are expected to remain higher as that of previous year. It is expected that country would export around 70 lakh bales of cotton in the season 2017-18.

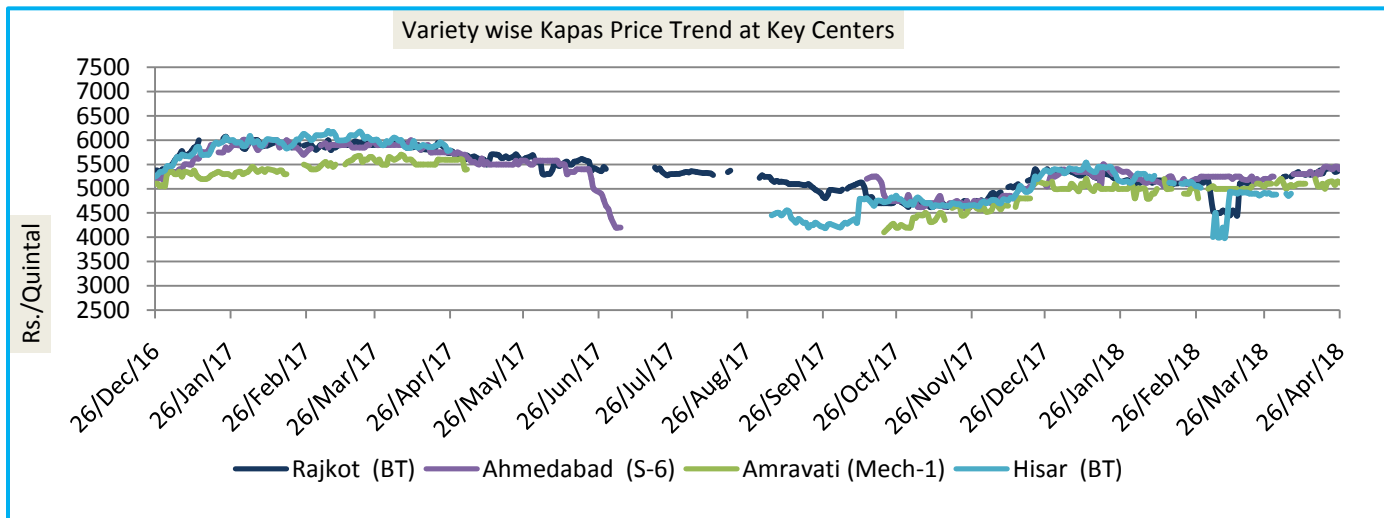
Ending stocks are expected to be around 24 lakh bales, it is lower compared to the ending stocks of previous season.



Domestic Cotton Prices Scenario

Domestic Cotton Prices Scenario

Kapas (Raw Cotton) Weekly Price Scenario

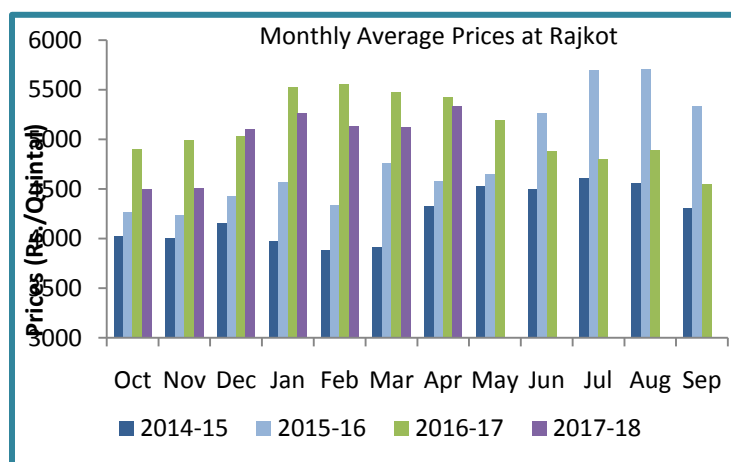


Monthly Price Review: monthly kapas average price at Rajkot rose from Rs 5331/quintal this month

According to latest report of USDA attaché, India's 2017/18 cotton production forecast is 30.00 million 480 lb. bales on higher acreage of 12.20 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

Monthly Price Outlook: Kapas prices are expected to remain range-bound to weak in coming days. The expected range for Kapas at Rajkot is Rs 4400-5400 per quintal for the coming month.

Kapas Monthly Y-o-Y Price Scenario



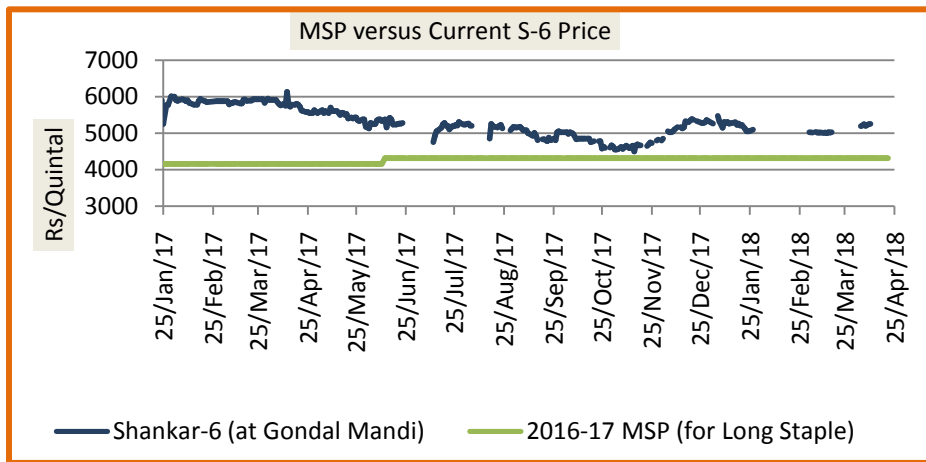
Kapas(seed cotton) prices in country noticed firm tone during the March month when compared to the previous month, and the same is ruling lower compared to the prices during the corresponding month of the previous season.

Monthly average price of Kapas at Rajkot remained Rs.5331 per quintal during March, which was Rs. 5127 during previous month and Rs. 5345 per quintal during the corresponding month last year. We expect Kapas prices to remain range-bound to

firm in the coming month. The expected price range for March month is likely to be Rs 4600-5200 per quintal.



Spot Price versus MSP



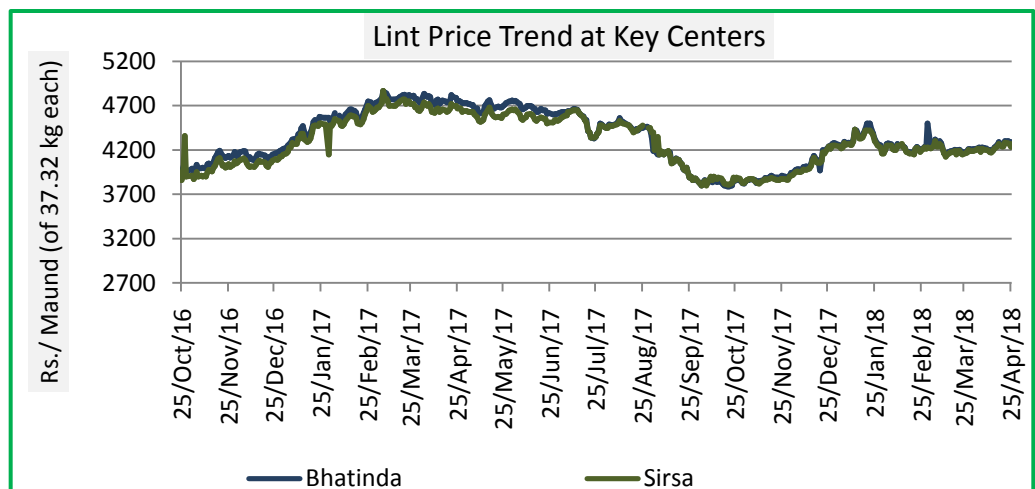
The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this month. The average gap between the prices was Rs 925 compared to Rs 896 a month earlier. This indicates prices are increasing.

Lint (De-Seeded Cotton) Monthly Price Scenario

Monthly Price Review: Lint prices remained firm during the month. monthly average price of Lint at Sirsa remained Rs. 4231 per maund of 37.32 kg each, higher compared to the previous week price of Rs 4123 per maund.

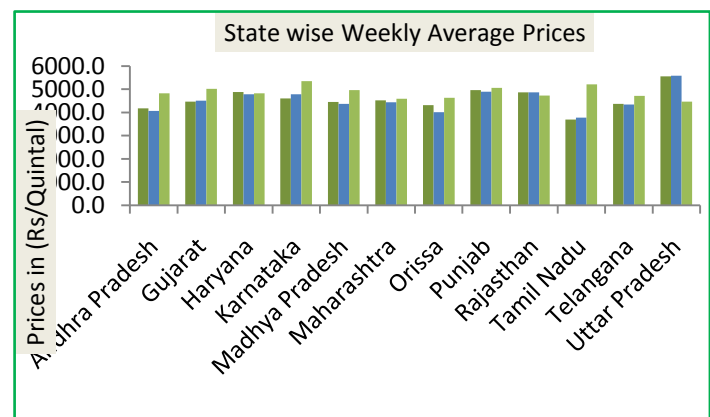
Monthly Price Outlook: Lint prices are expected to remain

firm during the month. We expect Lint at Sirsa to remain in the range of Rs. 3900-5000 per maund.



State wise Monthly Price Scenario

On month on month basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Uttar Pradesh followed by Punjab this week and lowest was in Tamil Nadu followed by Andhra Pradesh



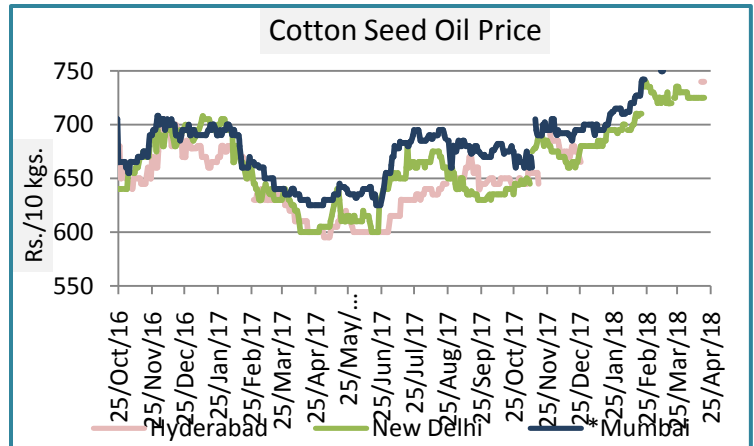


Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil monthly Price Scenario

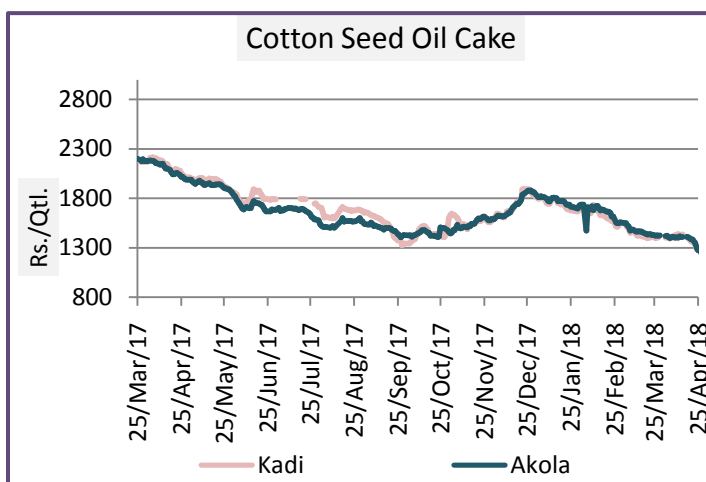
Cotton seed oil price noticed firm tone during the month. Monthly average price in New Delhi is Rs 727 per 10 Kg, compared to the monthly average price of Rs726 per 10 Kg in previous month

Centers	Monthly Average Price as on (Rs/10 kg.)		% Change
	April	Mar	
New Delhi	727.2	726	0.17
Rajkot	745.5	730	2.12
Hyderabad	740	-	
Mumbai*	770.4	761	1.24



Cotton Seed Oil Cake monthly Price Scenario

Cotton seed oil cake price noticed weak tone during this month. Monthly average price in Akola is Rs pequintal,1367 lower compared to the monthly average price of Rs 1468 per quintal in the previous month.



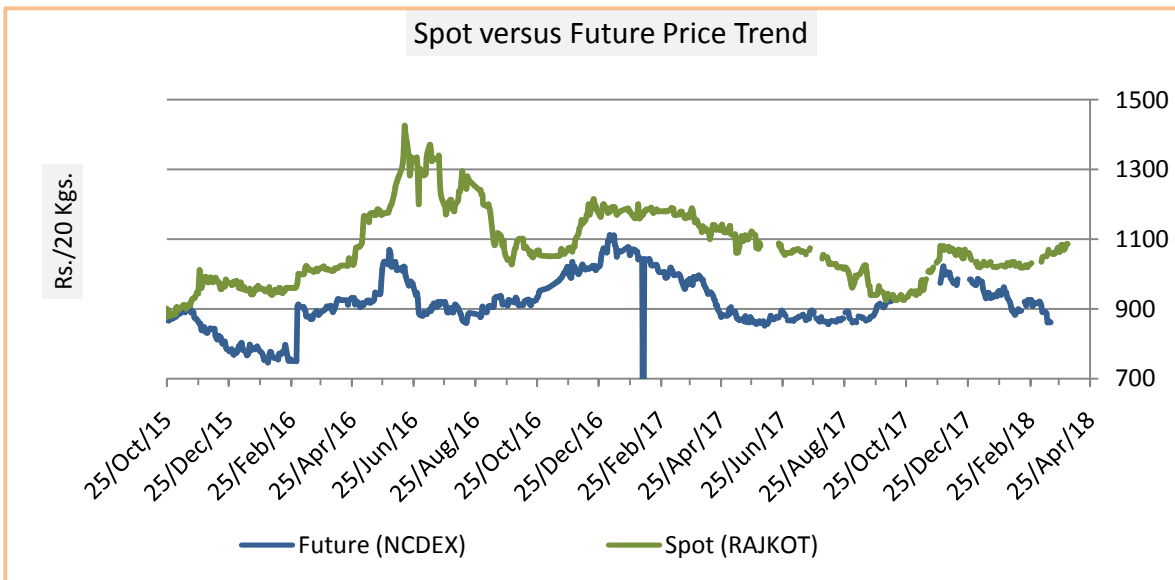
Centers	Monthly Average Price as on (Rs/quintal.)*		% Change
	April	March	
Kadi	1372	1433	-4.26
Akola	1367	1468	-6.88

*Source: NCDEX



Cotton spot and future price trend

Cotton future price closed lower this month Kapas at NCDEX (April Contract) Closed 861 as on 22 April 2018, compared to 921 a month earlier



International Market Scenario

International cotton prices remained range bound to firm during the month. Cotlook A index monthly average stood at 92.24 cents/pound thismonth, which was 91.87 cents/pound during last month.

Major Market Highlights:

Currently Rs 4,700-5,500 a qtl, cotton prices moved up during the past month when export demand emerged suddenly from Bangladesh, China and Pakistan.

US Crop progress report showed on last week, 12% of the US cotton crop was planted as on Sunday, a 2% move from the week prior.

Cotlook has lowered its forecast for 2018-19 global Cotton production by 69,000 tonnes to 26.23 million tonnes owing to a change for the US which more than offset increases for Uzbekistan and Brazil. It also lowered global Cotton consumption by 103,000 tonnes to 26.77 million tonnes.

According to trade sources, in the past three months, the export price of India's 30S pure cotton yarn has risen by 2%, while the export price of Pakistan's cotton yarn with the same quality has decreased by 1.7%. In the coming weeks, it's expected that the price of cotton yarn will not be lowered due to high cotton prices.



According to official figures of Pakistan Cotton Ginners Association (PCGA) up to April 15, cotton production stood at 11.579m bales compared to 10.727m bales produced in the same period last year.

From March 12 to April 13, the cumulative turnover of cotton reserves in China's state auction was 411,600 tons, with a turnover rate of 57.15%.

According to China Cotton Association survey, China Cotton plantings are seen falling 4% in 2018-19 to 2.8 Mln ha as farmers respond to lower prices last year.

Cotlook has lowered its forecast for 2018-19 global Cotton production by 69,000 tonnes to 26.23 million tonnes owing to a change for the US which more than offset increases for Uzbekistan and Brazil. It also lowered global Cotton consumption by 103,000 tonnes to 26.77 million tonnes.

From March 12 to April 27, the China cumulative turnover of cotton stocks was 543,200 tons, and the turnover rate was 53.24%.the highest traded price 16310 Yuan/ton, the lowest price 12700 Yuan/ton.

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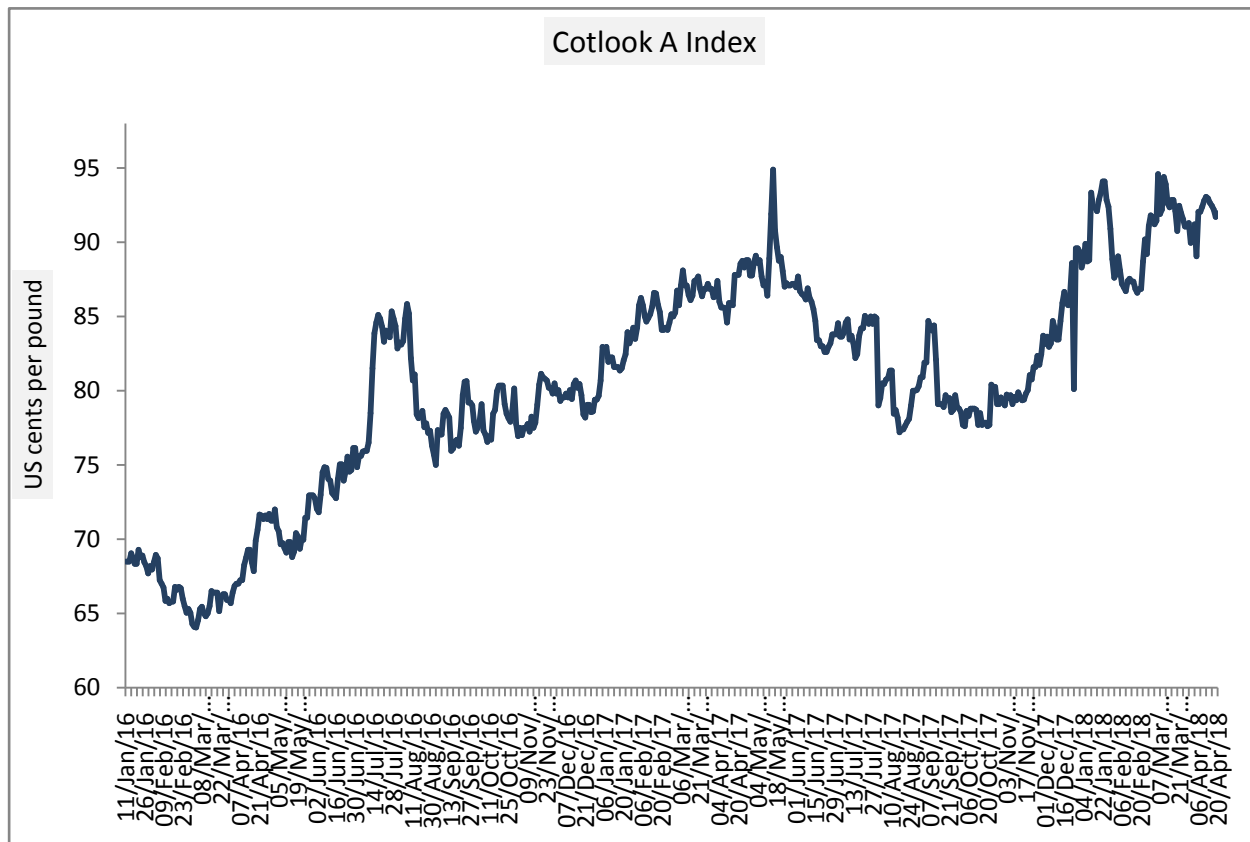
According to FAS, In 2018/19, Post forecasts Australian cotton production to reach 4.7 million bales from a harvested area of 450,000 hectares. This compares to 4 million bales in 2017/18 from a revised harvested area of 470,000 hectares due to poor seasonal conditions.

Exports are forecast at 4.4 million bales in 2018/19as a result of the larger harvest and strong international demand.

MY2018/19 Thailand cotton imports are forecast to increase to around 1.1 million bales, up 2 percent from MY2017/18. This is well below anticipated 4-5 percent economic growth due to record high inventories of cotton yarn in MY2017/18. Import demand for U.S. cotton is expected to increase by 3 percent to 600,000 bales as large-scale spinning mills are competitive in the fine-count yarn market.Meanwhile, small and medium-scale spinning mills still face strong competition from imported cotton yarn, mainly sourced from Vietnam.



Cotlook A Index



Cotlook A index remained firm during the month

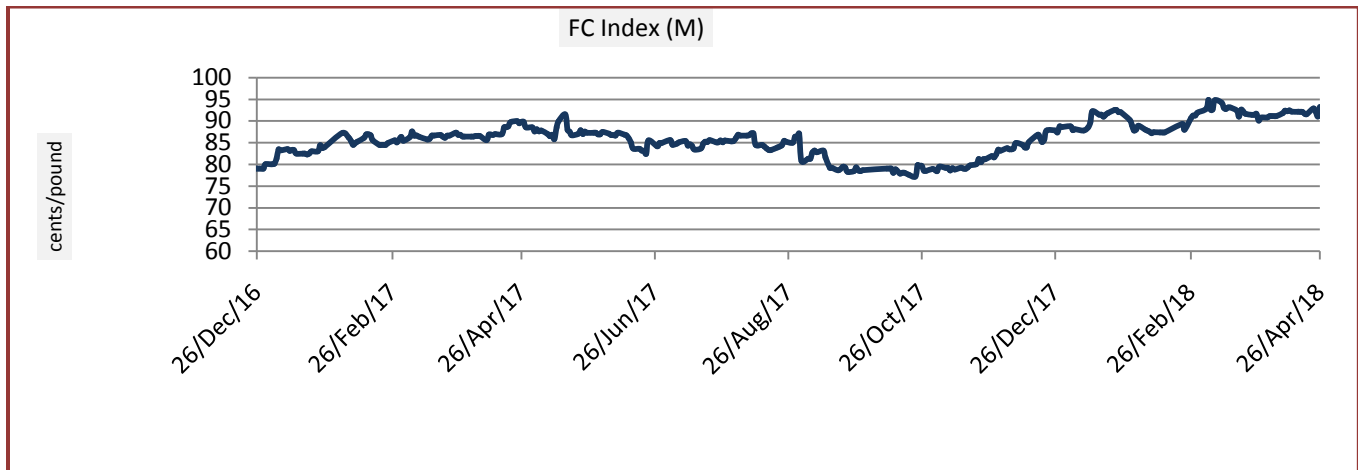
Cotlook A Index	Monthly Average Price as on		% Change
	April	March	
Prices	92.24	91.87	0.40
Prices in US cents per Pound			

China Cotton Index and Foreign Cotton Index

Cotton Index	Weekly Average Price as on		% Change
	April	March	
FC (S)	95.48	95.62	-0.15
FC (M)	91.9	92.45	-0.59
FC (L)	91.2	91.37	-0.19



Prices in US cents per Pound



China Index remained weak during the month. CC Index (328) remained 15489 Yuan per ton during the month. it was 15673 in the previous month.

Cotton Index	Monthly Average Price as on		% Change
	April	March	
CCIndex(328)	15489	15673	-1.17
CCIndex(527)	14529	14658	-0.88
CCIndex(229)	16116	16232	-0.71

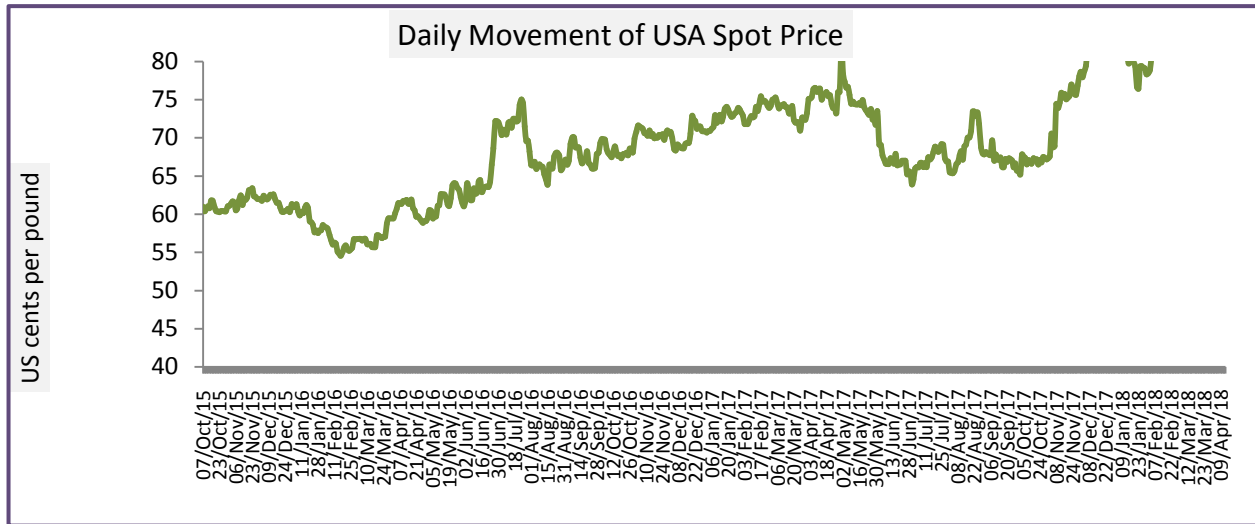
Prices in Yuan per ton





USA Spot Prices

According to latest report of USDA, global 2017/18 cotton ending stocks are revised down this month. Production in China is estimated to be lower, based on arrivals at gins. World ending stocks are now projected at 92.38 million bales

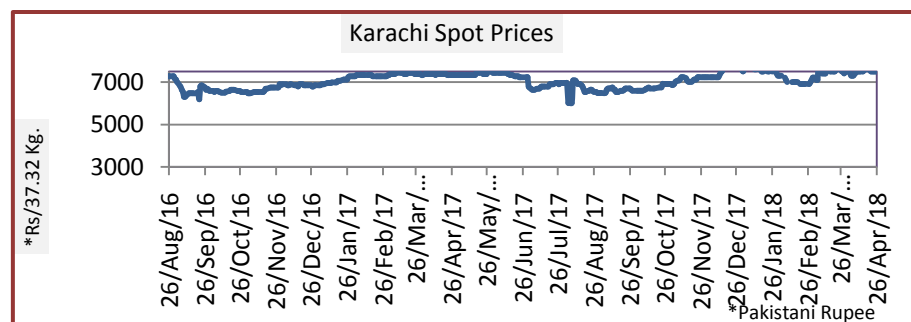


USA Spot Prices	Weekly Average Price as on		% Change
	Apr	Mar	
Prices	85.78	85.43	0.41
Prices in US cents per Pound			

Pakistan Spot Price

Annual growth output of Cotton in Pakistan has increased to 12.3 per cent amid higher arrivals of seed cotton during the period October 01-15, 2017.

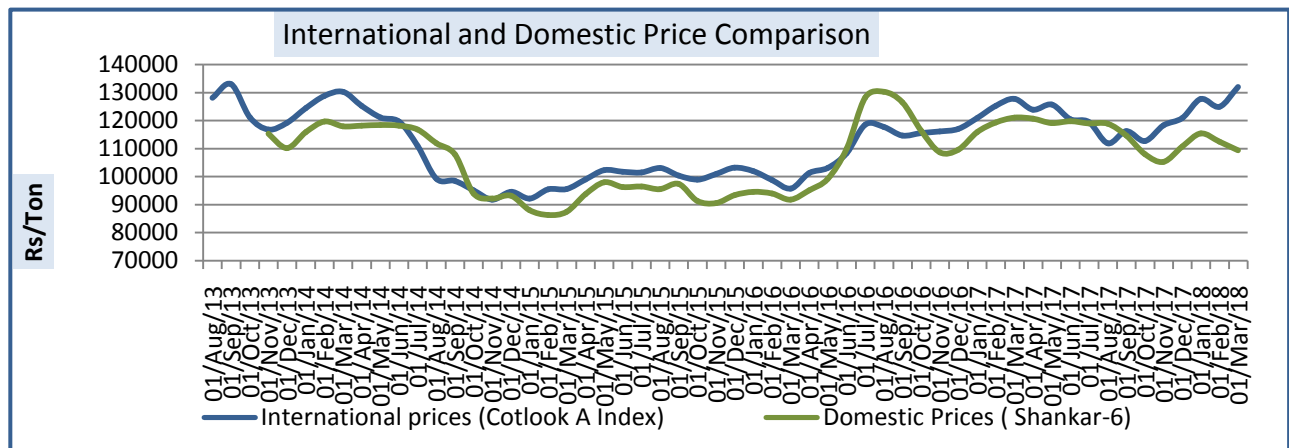
Pakistan has harvested 8.134 million bales of cotton up to October 31, 2017 according to data released by the Pakistan Cotton Ginners Association. Seed cotton arrivals during the same period increased by 3 per cent to 389,490 bales. According to the latest estimates, Pakistan is expected to produce 9.15 million bales during the current season.





Karachi Spot Prices	Monthly Average Price as on		% Change
	April	March	
Prices	7516	7500	0.21
Prices in Rs per 37.32. Kg			

International and Domestic Price Comparison



Cotton Prices at Key Spot Markets:

Commodity	Kapas		Montly Prices Average (Rs./Quintal)		Change
State	Centre	Variety	April,2018	March,2018	
Gujarat	Ahmedabad	Shankar-6	5378	5216	162
	Gondal	Shankar-6	5232	5019	213
	Rajkot	B.T. Cotton	5331	5127	204
	Patan	B.T. Cotton	5369	5159	210
	Kadi	B.T. Cotton	5245	5174	71
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5097	5065	32
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5051	5085	-34
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4882	4942	-60
	Fatehabad	B.T. Cotton	4973	4996	-23



	Jind	B.T. Cotton	5032	5168	-136
	Uchana	B.T. Cotton	4864	4968	-104
	Dabwali	B.T. Cotton	4759	4883	-125
Rajasthan	Hanumangarh	B.T. Cotton	4902	4992	-90
	Rawatsar	B.T. Cotton	4790	4808	-18
Madhya Pradesh	Khandwa	Mech-1	4988	4943	44
	Khargaon	Mech-1	NR	NR	-
Maharashtra	Amravati	Mech-1	5096	5031	65
	Jamner	Medium Staple	NR	NR	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4526	4506	19
Andhra Pradesh	Guntur	Un-Ginned	NR	3250	-
	Kurnool	Un-Ginned	NR	4666	-
	Krishna	Un-Ginned	NR	NR	-
	East Godavari	Un-Ginned	NR	NR	-
Karnataka	Bijapur	Bunny	5419	5171	248
	Hubli	D.C.H.	4211	4440	-229
	Hubli	B.T. Cotton	NR	4135	-
	Raichur	H-44 Cotton	5068	5048	20
Commodity	Lint		Monthly Prices Avg. (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	April,2018	March,2018	
Punjab	Bhatinda	J-34	4253	4222	31
	Abohar	J-34	4256	4215	41
	Mansa	J-34	4224	4178	46
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	4232	4195	37
Rajasthan	Sri-Ganganagar	J-34	3995	3922	74

Cotton Arrivals in Key Centers:

Commodity	Kapas		Monthly Sum Arrivals (Quintal)		Change
State	Centre	Variety	April,2018	March,2018	
Gujarat	Ahmedabad	Shankar-6	1095990	1082900	13090
	Gondal	Shankar-6	6091	16034	-9943
	Rajkot	B.T. Cotton	43770	45825	-2055
	Patan	B.T. Cotton	61108	47311	13797
	Kadi	B.T. Cotton	1025000	1322000	-297000
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	1922	4372	-2450



Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	21800	45600	-23800
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	21514	136334	-114820
	Fatehabad	B.T. Cotton	16990	21550	-4560
	Jind	B.T. Cotton	1071	3430.3	-2359
	Uchana	B.T. Cotton	7070	30138	-23068
	Dabwali	B.T. Cotton	227	4982	-4755
Rajasthan	Hanumangarh	B.T. Cotton	4550	29400	-24850
	Rawatsar	B.T. Cotton	4850	17400	-12550
Madhya Pradesh	Khandwa	Mech-1	6100	5950	150
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	32400	39500	-7100
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	16131	95855	-79724
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	1529	-1529
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	56728	45195	11533
	Hubli	D.C.H.	433	778	-345
	Hubli	B.T. Cotton	NA	6	-
	Raichur	H-44 Cotton	11289	17150	-5861
Commodity	Lint		Monthly Sum Arrivals (Quintal)		Change
State	Centre	Variety	April,2018	March,2018	
Punjab	Bhatinda	J-34	44540	138550	-94010
	Abohar	J-34	11339	20400	-9061
	Mansa	J-34	9792	13345	-3553
Haryana	Sirsa	J-34	9265	30090	-20825
Rajasthan	Sri-Ganganagar	J-34	NA	10350	-

Cotton Association of India Cotton Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				April,2018	March,2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	42308	42488	-179



Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42808	42988	-179
J-34(202)	26mm	3.5 - 4.9	23	40208	39871	338
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37767	37538	229
Shankar-6(105)	29mm	3.5 - 4.9	28	41163	40854	308
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	42313	41783	529
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	43863	43271	592
DCH-32(107)	34mm	3.0 - 3.8	33	54067	53913	154

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