

Domestic market summary

Domestic market Scenario: Cotton spot markets mostly noticed weak during the week. Average price of Lint at Sirsa during the week was Rs. 4805 per maund (of 37.32 Kg each), compared to the previous week price of Rs 4791. Cotton fiber (Shankar-6) prices noticed firm tone this week Average price was Rs 48316 per candy (of 355.6 kg each) during the week, which was Rs 46850 per candy previous week.

Weekly Price Outlook : In the coming week we expect Kapas price to remain to firm with the price band of Rs 5800-6400 per quintal in the Rajkot market. Lint price at Sirsa is likely to be in range of Rs 4000-5000 per maund.

Major Market Highlights:

- All India Cotton Market Seen Upward Trend by 1000-1500 Rs. Per candy for All India Cotton Variety.
- All India Daily Arrivals remained 8,000 to 10,000 bales. With limited arrivals, most of the ginning factories are closed. Domestic Mills having short supply due to strong holding from Ginners and MNC Companies and may be there will be shortage for One Month Period in India.
- Sowing of Cotton has been completed on 2.31 lakh hectares in Andhra Pradesh till July 13. Last year the crop was sown in 2.85 Lakh hectares in the same time frame. Lull period post arrival of monsoon didn't help in providing enough moisture to hasten the sowing. In Southern peninsular India the sowing window extends up to September depending on the rainfall. Any delay in sufficient rain also delays the sowing of cotton.
- Cotton prices traded firm on a slow new crop planting pace and better demand for current crop in domestic as well as international. Cotton prices in Adoni market traded firm at Rs.5,500-6,189 per quintal. However, the prices are significantly higher than Rs.5,000-5,800 during same period last year.
- In Rajkot market, arrivals were reported around 250 quintals per day, as compared to last week's 330 bags. Market is about to close by end of July due to limited arrivals.
- Cotton planting is expected to hasten in Maharashtra as excess moisture in Marthwada (27% higher than normal rains) and Vidarbha (11 % higher than normal rains) will prompt farmers to plant greater area with cotton. Additionally farmers indicate land is being prepared for sowing of tur and soybeans.
- AW preliminary estimate for 2018-19 cotton production comes at 353 lakh bales despite fear of lower acreage based on farmers' pre sowing intention. As there is a good possibility of monsoon rains, higher yield expectation would negate lower acreage impact. India had produced 365 lakh bales of cotton last year as per CAI estimate.



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

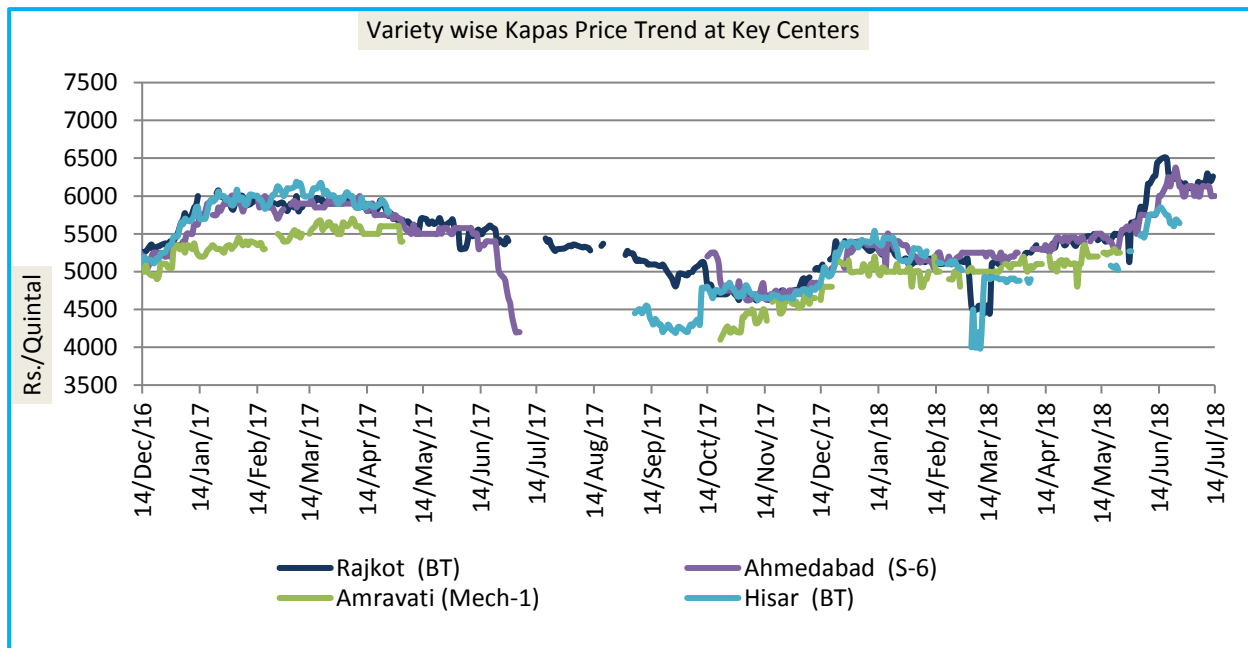
Kapas (Raw Cotton) Weekly Price Scenario

Weekly Price Review: Weekly kapas average price at Rajkot rose is Rs 6202/quintal this week.

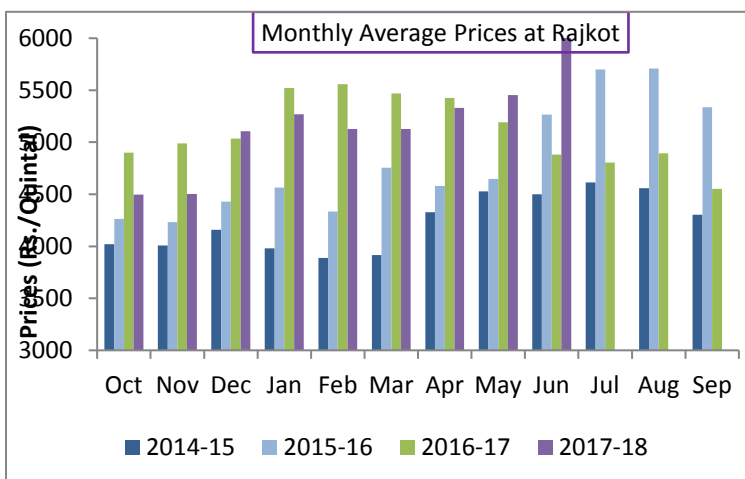


According to latest report of USDA attaché, India's 2017/18 cotton production forecast is 30.00 million 480 lb. bales on higher acreage of 12.20 million hectares. Higher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

Weekly Price Outlook: Kapas prices are expected to remain range-bound to firm in coming days. The expected range for Kapas at Rajkot is Rs 5500-6500 per quintal for the coming week.



Kapas Monthly Y-o-Y Price Scenario



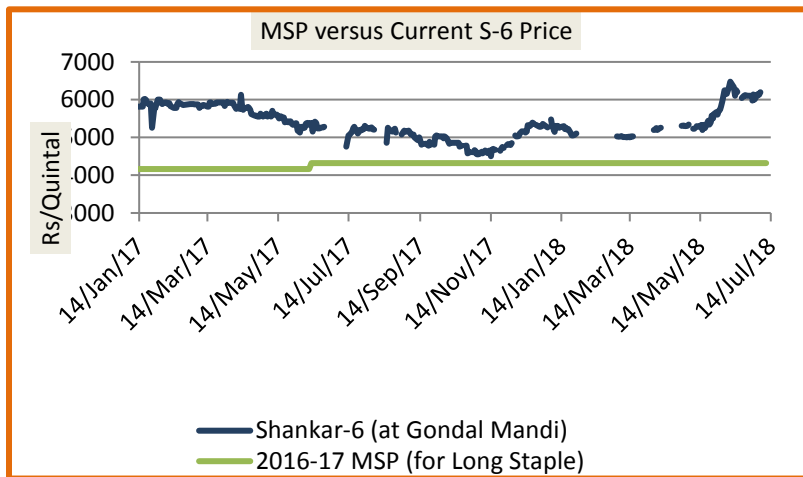
Kapas(seed cotton) prices in country noticed firm tone during the June month when compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.

Monthly average price of Kapas at Rajkot remained Rs.6136 per quintal during May, which was Rs. 5445 during previous month and Rs. 4882 per quintal during the corresponding month last year. We expect Kapas prices to remain to

firm in the coming month. The expected price range for July month is likely to be Rs 5500-6500 per quintal.



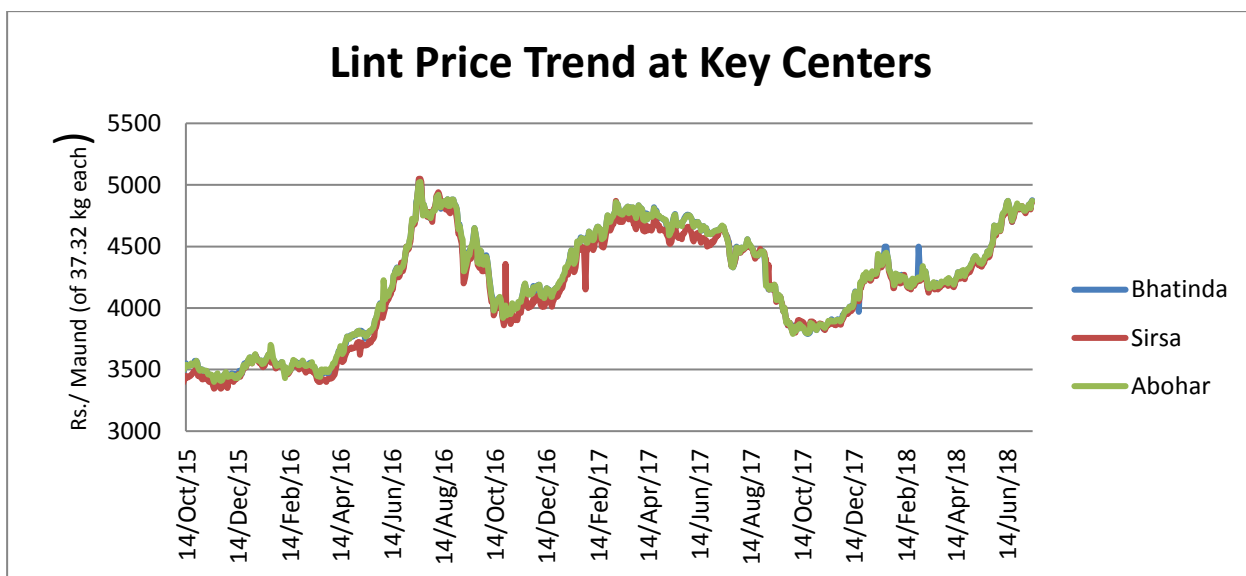
Spot Price versus MSP



The Kapas prices are ruling above the MSP so far. The gap between the two prices has increased this week. The average gap between the prices was Rs 1800 compared to Rs 1790 a week earlier. This indicates prices are increasing.

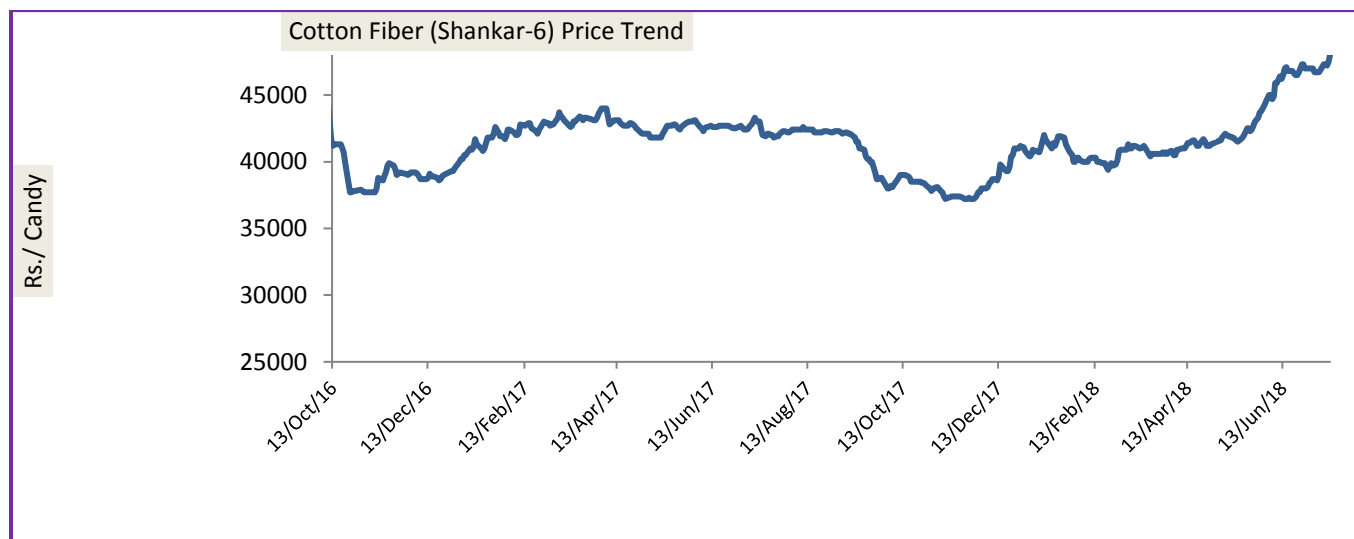
Lint price Outlook

Lint prices remained slightly weak during the week owing to tight tone prevailing in market. Weekly average price of Lint at Sirsa remained Rs. 4802 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4804 per maund.



Cotton Fiber price Outlook

Cotton fiber noticed down trend in this week compared to the previous week amid good demand in domestic and international market weekly average price of Shankar- 6 during was Rs47085 per candy, which was Rs. 46850 previous week and around Rs 42814 per candy during the corresponding week previous season. We expect cotton fiber to remain in range of Rs 45000 -49000 per candy in the coming week candy.

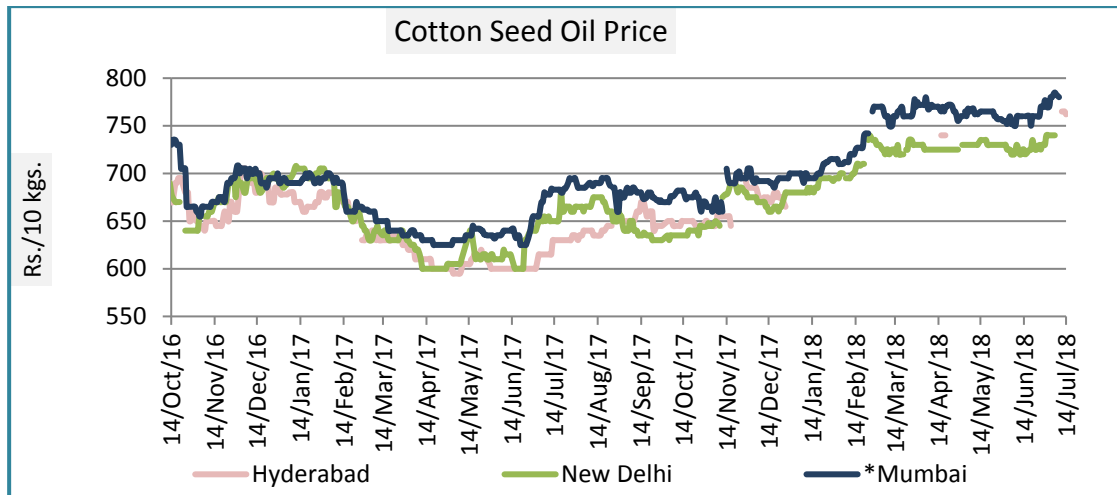


Cotton Seed Oil and Cotton Seed Oil Cake

Cotton Seed Oil monthly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi is Rs 735 per 10 Kg, lower compared to the weekly average price of Rs 727 per 10 Kg in previous week.

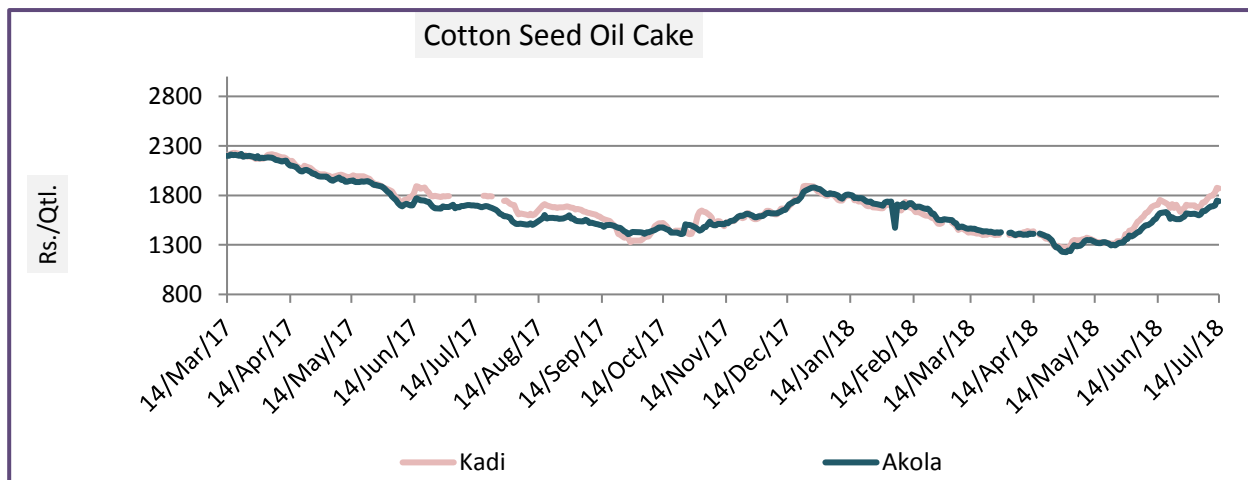
Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	12-Jul-18	05-Jun-18	
New Delhi	735	727	1.10
Rajkot	770	753	2.26
Hyderabad	764	NA	-
Mumbai*	777	766	1.44



Cotton Seed Oil Cake weekly Price Scenario

Cotton seed oil cake price noticed firm tone during this week. Weekly average price in Akola remained Rs 1664 per quintal, higher compared to the weekly average price of Rs 1610 per quintal in the previous week.

Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	12-Jul-18	05-Jun-18	
Kadi	1765	1690	4.44
Akola	1664	1610	3.35
*Source: NCDEX			





International Market Scenario

International cotton prices remained slightly weak during the week. Cotlook A index weekly average stood 94.34 at cents/pound this week, which was 94.18 cents/pound during last week.

Major Market Highlights:

Indian Cotton Exporters hoping good Demands from China for upcoming season 2018-19 due to huge demand and sufficient Import from China.

The U.S. 2018/19 cotton projections show lower production, exports, and stocks compared with last month. The 1.0-million-bale decrease in the crop projection is due to higher expected abandonment based on current conditions.

Beginning stocks are 200,000 bales lower due to an increase in 2017/18 exports. 2018/19 exports are reduced 500,000 bales based on lower supplies and increased foreign competition.

With no change in domestic consumption, 2018/19 ending stocks are projected at 4.0 million bales, down 700,000 bales from the June estimate and unchanged from the revised 2017/18 level. The midpoint of the projected range of the marketing-year-average price is raised 5 cents from last month, to 75 cents per pound.

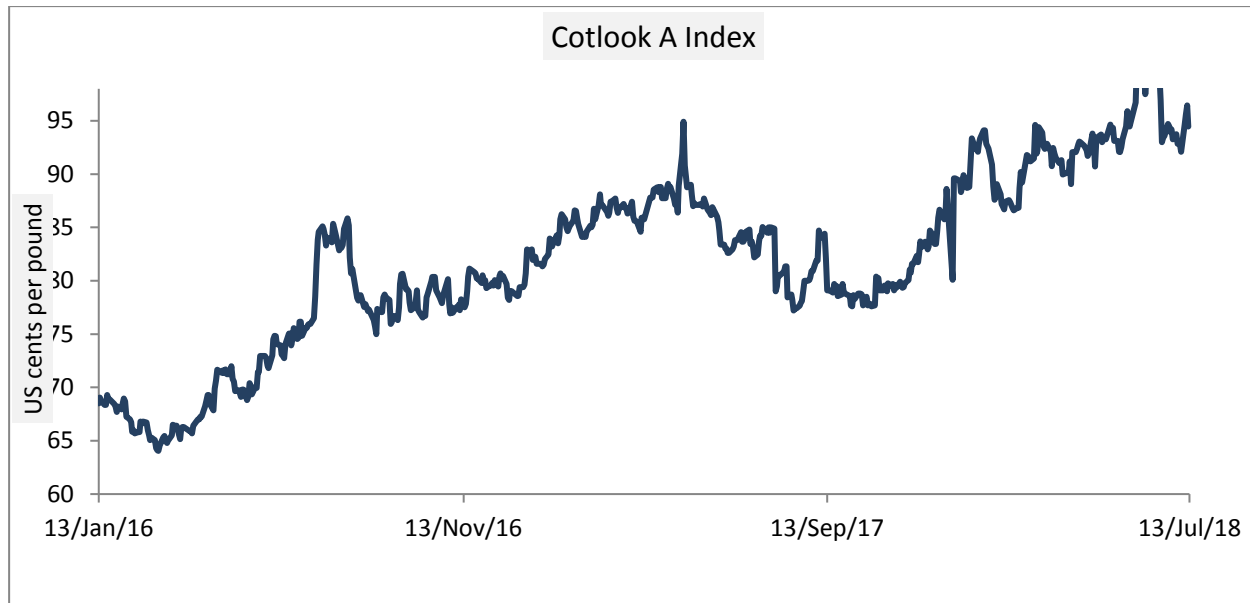
Historical revisions to China's consumption back to 2014/15 account for most of a 3.3-million-bale decline in 2018/19 world beginning stocks. World 2018/19 consumption is 1.6 million bales higher than in June, as the revisions to China's consumption estimates carry through into the 2018/19 projection year with a 1.0-million-bale increase.

Consumption forecasts are also higher for Bangladesh, Pakistan, Brazil, and Vietnam. World production is projected 290,000 bales lower than in June, as reduced U.S. and Australian production more than offsets increases for Brazil, India, and Mexico. World trade is projected 165,000 bales higher this month as lower U.S. exports are more than offset by increases by Brazil and China. Ending stocks are 5.2 million bales lower than in June, with the largest declines in China (4.6 million) and the United States. India's and Brazil's ending stocks are forecast higher.

Cotlook A Index

Cotlook A index remained weak during the week.

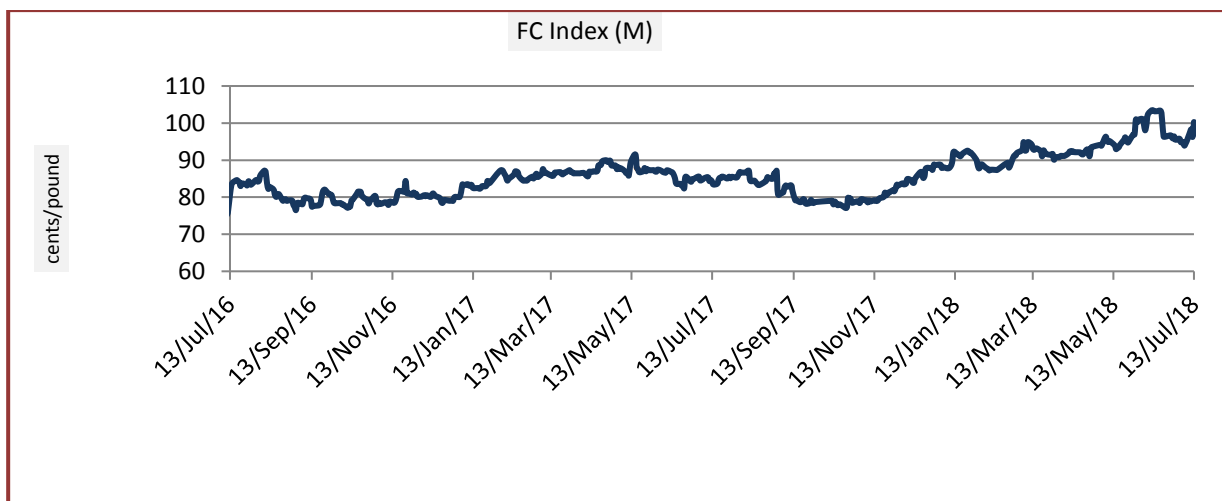
Cotlook A Index	Weekly Average Price as on		% Change
	12-Jul-18	05-Jun-18	
Prices	94.34	93.17	1.26
Prices in US cents per Pound			



China Cotton Index and Foreign Cotton Index

According to the National Bureau of Statistics, cotton production in China declined by 4.6 per cent in 2017 to 5.34 million tons compared to the previous year. Production has declined amid decline in acreage and yields. Acreage has declined by 11.1 per cent to 3.38 million hectares. Yields of cotton declined by 260,000 tons to 5.34 million tons. In 2017, China's cotton yarn import declined by 30 per cent y-o-y to 960 mkg worth US\$2430 million. According to report released by www.yarnsandfibers.com (YarnsandFibers), imports from India declined by 49 per cent to US\$560 million for 231 mkg. Price-wise, Pakistan was the cheapest supplier of cotton yarn for China, followed by India and then by Vietnam.

Cotton Index	Monthly Average Price as on		% Change
	12-Jul-18	05-Jun-18	
FC (S)	98.97	97.99	1.00
FC (M)	96.24	95.16	1.13
FC (L)	94.44	93.35	1.17
Prices in US cents per Pound			



China Index remained weak during the Week. CC Index (328) remained 16215 Yuan per ton during the week. Average was 16304 Yuan per ton during previous week.

Cotton Index	Monthly Average Price as on		% Change
	05-Jul-18	28-Jun-18	
CCIndex(328)	16215	16304	-0.55
CCIndex(527)	15066	15121	-0.36
CCIndex(229)	16860	16923	-0.37
Prices in Yuan per ton			

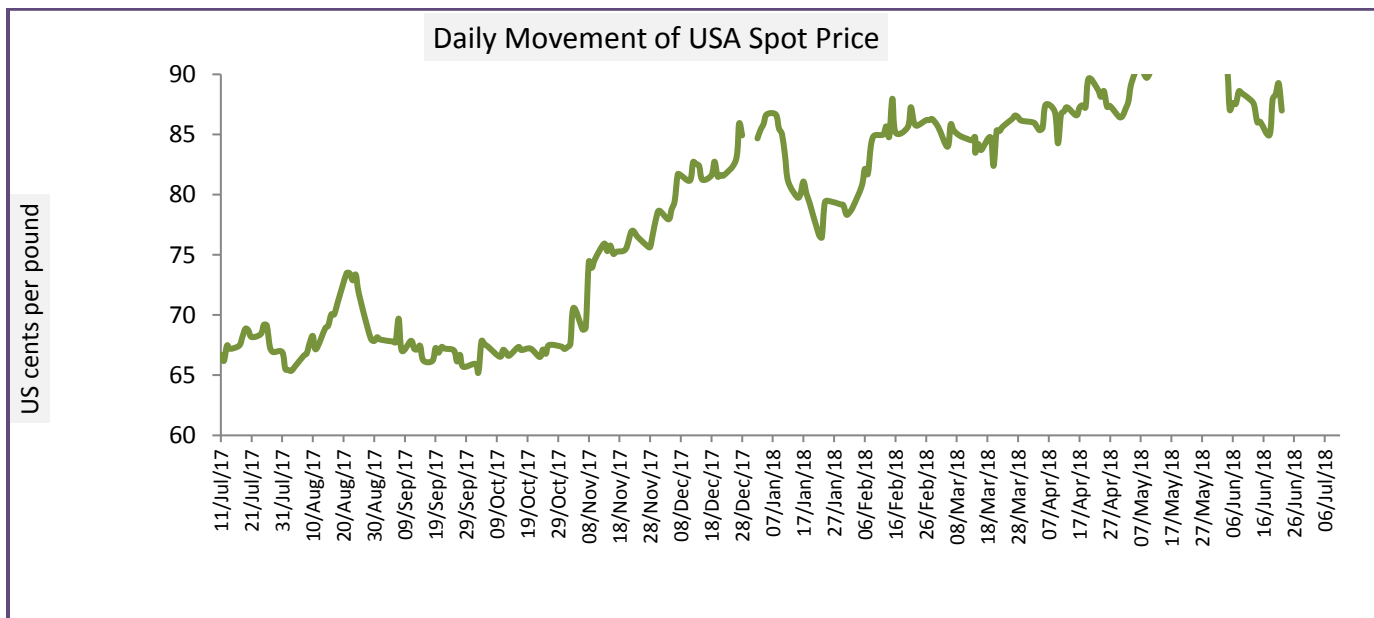




USA Spot Prices

As per the United States Department of Agriculture (USDA) estimates, India has surpassed China's cotton production to become the largest cotton producing country with 365 lakh bales of production. India is followed by China (353 lakh bales), the U.S. (273 lakh bales), Pakistan (105 lakh bales) and Brazil (103 lakh bales).

USA Spot Prices	Monthly Average Price as on		% Change
	12-Jul-18	05-Jun-18	
Prices	87.49	86.5	1.14
Prices in US cents per Pound			



Pakistan Spot Prices

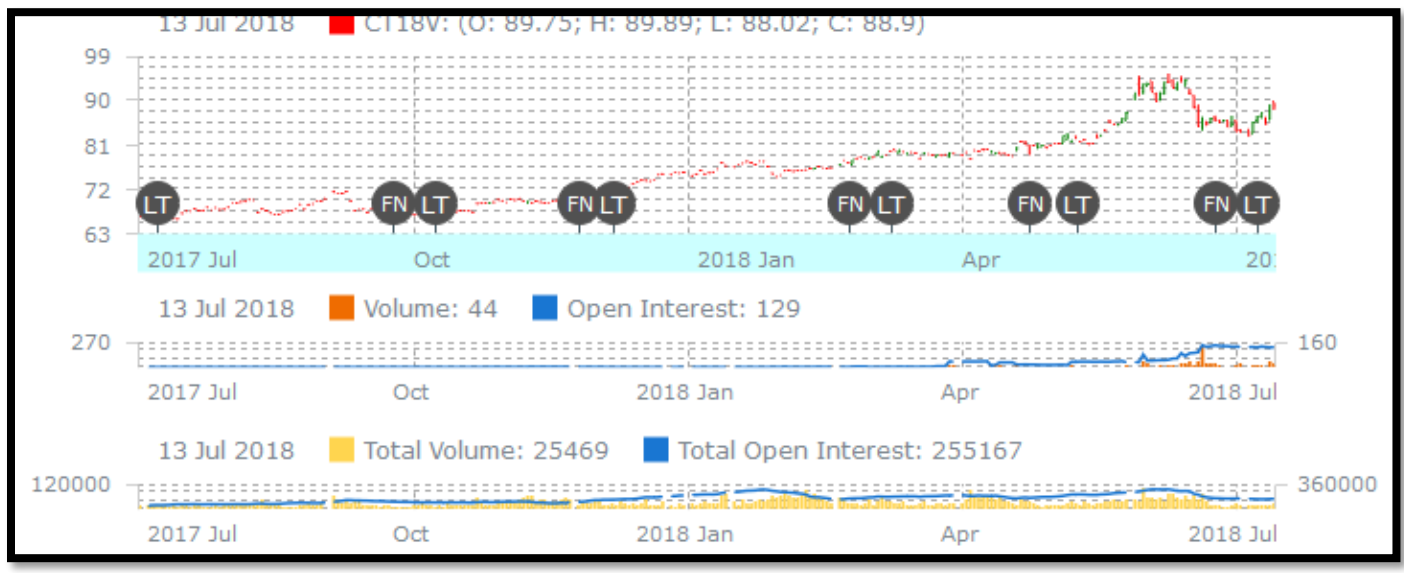
In Pakistan raw cotton exports from the country during 11 months of current financial year grew by 32.66 percent as against the exports of the corresponding period of last year. According the latest data released by the Pakistan Bureau of Statistics, during the period from July-May, 2017-18, country exported about 34,969 metric tons of raw cotton as compared the exports of 25,349 metric tons last year



Karachi Spot Prices	Monthly Average Price as on		% Change
	12-Jul-18	01-Jun-18	
Prices	8330	7895	5.51
Prices in Rs per 37.32 Kg			

Technical Analysis of Cotton Future (July '18 Contract) at ICE

Weekly Technical Outlook:



- Candlesticks denote bullish movement in the market.
- Volume decreased while Open Interest increased.
- We expect cotton prices to remain sideways to firm in the coming week.

Expected Price Range During Coming month

Expected Trend	Expected Trading Band
Range bound to Bearish Momentum	90.00-100.00



Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
82.00	78.00	110.00	100.00

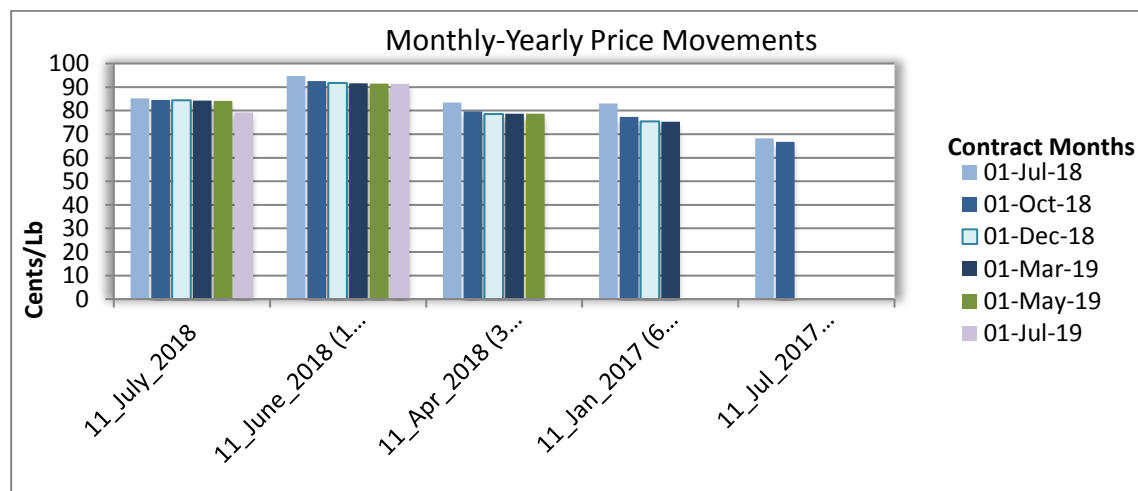
Figures in US cents/pound

Cotton Future Prices at IC

Cotton Future Prices

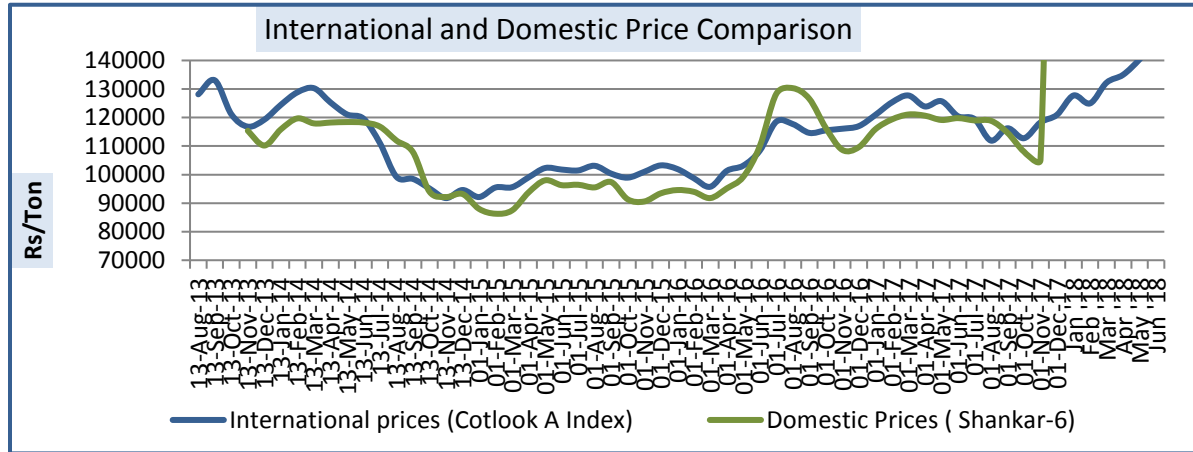
Cotton Future Prices

Cotton Prices in Future Contract on ICE						Prices in cents/Lb	
Contracts	11_July_2018	11_June_2018 (1 month ago)	11_Apr_2018 (3 month ago)	11_Jan_2018 (6 month ago)	11_Jul_2017 (Year Ago)	% Change over a month	% Change over previous year
01-Jul-18	85.24	94.75	83.41	83	68.24	-10.04	24.91
01-Oct-18	84.54	92.58	79.64	77.38	66.72	-8.68	26.71
01-Dec-18	84.35	91.68	78.63	75.42		-8.00	
01-Mar-19	84.23	91.58	78.74	75.27		-8.03	
01-May-19	84.15	91.49	78.74			-8.02	
01-Jul-19	79.26	91.35				-13.23	





International and Domestic Price Comparison



Domestic Cotton Prices and Arrivals at Key Centers

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	6th July to 12th July 2018	6th July to 12th July 2018	
Gujarat	Ahmedabad	Shankar-6	6000	6075	-75
	Gondal	Shankar-6	6118	6074	44
	Rajkot	B.T. Cotton	6207	6103	104
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	5785	5605	180
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	5950	5900	50
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	5808	5814	-7
	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	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4230	4230	Unch
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	6252	6167	85
	Hubli	D.C.H.	NA	3800	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	5650	5663	-13
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	6thJuly to 12thJuly 2018	6thJuly to 12thJuly 2018	
Punjab	Bhatinda	J-34	4817	4811	6
	Abohar	J-34	4820	4812	8
	Mansa	J-34	4793	4793	Unch
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4806	4808	-2
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Week on Week Price: Scenario of Cotton:

Commodity	Kapas		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	12-Jul-18	5-Jul-18	12-Jun-18	12-Jul-17
Gujarat	Ahmedabad	Shankar-6	NA	6125	6250	NA
	Gondal	Shankar-6	NA	6135	6155	NA
	Rajkot	B.T. Cotton	6200	6185	6270	NA
	Patan	B.T. Cotton	NA	NA	NA	NA
	Kadi	B.T. Cotton	NA	NA	NA	NA
	Deesa	B.T. Cotton	NA	NA	NA	NA
	Dhrol	B.T. Cotton	NA	NA	5720	NA
Punjab	Fazilika	B.T. Cotton	NR	NR	NA	NA



	Muktsar	B.T. Cotton	NR	NR	NA	NA
Haryana	Bhiwani	B.T. Cotton	5900	5900	5900	5250
	Bhiwani	Desi	NA	NA	NA	NA
	Adampur	B.T. Cotton	NA	NR	5759	NA
	Fatehabad	B.T. Cotton	5870	5750	5870	NA
	Jind	B.T. Cotton	NA	NA	NA	NA
	Uchana	B.T. Cotton	NA	NA	NA	NA
	Dabwali	B.T. Cotton	NA	NA	NA	NA
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	NA	NA
	Rawatsar	B.T. Cotton	NA	NA	NA	NA
Madhya Pradesh	Khandwa	Mech-1	NA	NA	NA	NA
	Khargaon	Mech-1	NA	NA	NA	NA
Maharashtra	Amravati	Mech-1	NA	NA	NA	NA
	Jamner	Medium Staple	NR	NR	NA	NA
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	NA	NA
	Hathras	Desi	NA	NA	NA	NA
Telangana	Adilabad	Un-Ginned	4230	4230	4320	4800
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	NA	5000
	Kurnool	Un-Ginned	NA	NA	NA	5055
	Krishna	Un-Ginned	NA	NA	NA	NA
	East Godavari	Un-Ginned	NA	NA	NA	4160
Karnataka	Bijapur	Bunny	NR	6200	6062	5767
	Hubli	D.C.H.	NR	5500	3000	NA
	Hubli	B.T. Cotton	NR	NR	NA	NA
	Raichur	H-44 Cotton	5800	5700	5600	5600
Commodity	Lint		Today	Week Ago	Month Ago	Year Ago
State	Centre	Variety	12-Jul-18	5-Jul-18	12-Jun-18	12-Jul-17
Punjab	Bhatinda	J-34	4810	4795	4795	4660
	Abohar	J-34	4810	4790	4795	4655
	Mansa	J-34	4800	4770	4750	NA
	Muktsar	J-34	NR	NR	NA	NA
	Fazilika	J-34	NR	NR	NA	NA
Haryana	Sirsa	J-34	4800	4785	4770	4650
Rajasthan	Sri-Ganganagar	J-34	NA	NA	NA	NA

Cotton Arrivals in Key Centers:



Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	6thJuly to 12thJuly 2018	6thJuly to 12thJuly 2018	
Gujarat	Ahmedabad	Shankar-6	12750	23800	-11050
	Gondal	Shankar-6	831	465	366
	Rajkot	B.T. Cotton	1395	1850	-455
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	22	32	-10
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	950	1100	-150
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	NA	NA	-
	Fatehabad	B.T. Cotton	220	210	10
	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	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	2225	3782	-1557
	Hubli	D.C.H.	NA	2	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	255	435	-180
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change



State	Centre	Variety	6thJuly to 12thJuly 2018	6thJuly to 12thJuly 2018	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	136	85	51
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				5thJuly to 11thJuly 2018	28thJune to 4thJuly 2018	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	44800	44800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	45303	45300	3
J-34(202)	26mm	3.5 - 4.9	23	46033	46033	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	43767	43950	-183
Shankar-6(105)	29mm	3.5 - 4.9	28	47017	46900	117
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	48250	48200	50
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	49817	49617	200
DCH-32(107)	34mm	3.0 - 3.8	33	61583	61333	250

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